

The University of Chicago

COLLECTIVE BARGAINING IN
CHICAGO: 1929-30

A STUDY OF THE ECONOMIC SIGNIFICANCE
OF THE INDUSTRIAL LOCATION
OF TRADE-UNIONISM

A DISSERTATION SUBMITTED TO THE
GRADUATE FACULTY IN CANDIDACY FOR
THE DEGREE OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF ECONOMICS

By
CARROLL LAWRENCE CHRISTENSON

Reprinted from
COLLECTIVE BARGAINING IN CHICAGO: 1929-30

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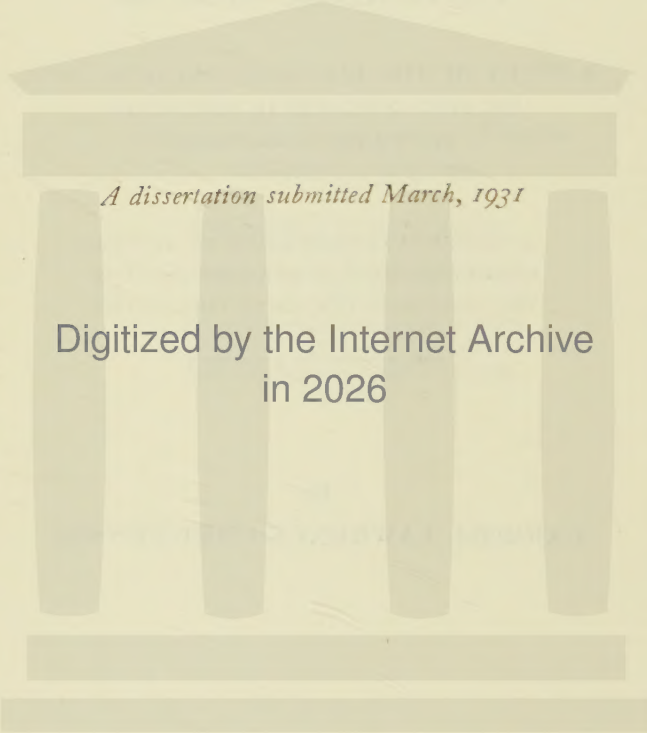
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PREFACE

Although numbers may mislead the unwary, there is a real scientific need for the statement of such facts as are obtainable in numerical terms. For a sound and useful answer to the question of the social significance of trade-unions, detailed information as to the relative strength and location of the existing labor organizations is desirable. The present study is an effort to contribute such information regarding the labor-unions of Chicago, and to suggest certain economic forces that seem to be of importance in the interpretation of this material.

It is not assumed that the figures indicating the numerical strength of Chicago labor-unions are strictly accurate, nor is it possible to state specifically what is the probable error in the estimates. For the purposes immediately at hand, however, they are believed to be quite satisfactory. If they are subsequently used for other purposes, their limitations, to which specific attention is called in footnotes, must be borne in mind.¹ The figures for union membership have been obtained for the most part from official sources. The membership of all the local unions affiliated with the city and state federations have been checked against the per capita taxes paid to these central organizations, but only where the local union officials have failed to report information directly, or where such reports were obviously inaccurate, have estimates based on per capita tax figures been substituted

¹The figures are probably subject to the same bias as those presented by Wolman in his Growth of American Trade Unions, 1880-1923. See especially the critical note to p.69 by Walter R. Ingalls.

for the reports of officials.

Except for previous studies of individual industries, attempts to answer the question of the extent of trade-union organization have been in terms of the nation as a whole. Obviously, it would be impossible in the studies of individual unions to obtain information known to have wide application, while in the studies made from a national point of view it is equally difficult for any single individual to examine in detail the industrial and plant location of unionism and to classify the economic characteristics of the unionized industries.

The present study lies between these two types of undertaking. In so far as the local labor market is to be considered as only a part of the national market, the study is based on a sample; but if the Chicago market is taken as the unit, except for workers in interstate commerce, the material may be regarded as a panorama of the entire organized section of a metropolitan labor market.

To accomplish this purpose the following organization plan has been adopted. The first chapter presents a numerical picture of the extent of trade-union organization throughout the various occupations of the working population of Chicago. This is followed by a series of chapters which focus more detailed attention upon the location and operation of unionism within seven industrial groups. Each of these seven chapters tends to follow a uniform plan. The first section is devoted to a more specific description of the location of unionism and of the employers' organizations. The second and third sections aim at a statement of the working conditions established by collective bargaining, which are usually incorporated in trade agreements, and a description of the relations which have existed between the employers and the labor organizations. The final section of these seven chapters is devoted to a consider-

ation of the economic forces at work in the various industrial settings which appear to have supported or limited collective labor bargaining.

The concluding chapter is concerned with a summary of the theoretical issues which seem to flow from the investigation of the location of collective bargaining in Chicago. This plan of presentation makes it possible for the reader to survey most of the material of general significance from chapters i and ix, while those interested in more detailed evidence will need to resort to reading the intervening chapters.

A large number of sources have been utilized. Some of the material used has been presented in studies of individual industries made by others. For the most part, however, the writer has had to rely on the co-operation of numerous trade-union officials and employer representatives. Over six hundred personal calls have been made, and these have been supplemented by numerous letters from representatives of both parties. Although most of the information obtained was from sources which need not be kept confidential, many of the individual employers and union officials have specifically requested that their names be withheld, and therefore the uniform policy of omitting all personal references has been adopted.

In a study of this character, relying as it does upon the personal assistance of a large number of individuals, it is impossible for the writer to give adequate acknowledgment to all the men, both employer representatives and trade-union officials, who have permitted their already busy programs to be crowded still further by answering inquiries in the interest of furnishing public information.

However, mention should certainly be made of the writer's

obligation to Mr. Victor A. Olander, secretary of the Illinois State Federation of Labor; President John Fitzpatrick of the Chicago Federation of Labor; Mr. John Neilson of the Employers' Association; and Mr. E. M. Craig of the Building Construction Employers' Association. These men, representing divergent points of view, manifested such helpfulness and courtesy that it should not go unrecognized.

Specific reference has of course been made to all published sources directly relied upon, but the writer wishes to make a general acknowledgment of the use of manuscript material of the late Sterling F. Rigg, which was left incomplete by his untimely death. Recognition of the writer's debt of gratitude to Director George Noble Carman of Lewis Institute, Chicago, who generously granted a release from teaching duties during a part of 1930 in order that the field work on this project might be completed, still leaves the author under heavy obligation.

Recognition should also be given to the Local Community Research Committee of the University of Chicago for financial support given to the project.

It is a pleasure to acknowledge the numerous courtesies extended by the staff of the Library of Hamilton College while the study was undergoing its final revision.

Dr. B. M. Squires of the Trade Board of the Chicago clothing market has been of great assistance in making available facts and materials essential to the treatment of collective bargaining in the clothing industry. In conclusion, it should be stated that this study was undertaken at the suggestion of Professor H. A. Millis, who has furnished the guidance and encouragement necessary to its completion.

Although assistance has been received from many sources, it should be made clear that the writer has been entirely free in

the assembly and analysis of his materials. If there are errors of omission or interpretation, the responsibility lies wholly with him.

C.L.C.

Clinton, N.Y.
July, 1932

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CHAPTER I

THE EXTENT AND LOCATION OF LABOR ORGANIZATION

Organization by workers for the purpose of dealing collectively with their employers had become an established institution in many Chicago industries long before 1930. However, the severe tests so rapidly imposed upon the economic order by the events of the years following 1929, and the necessary readjustments by labor organizations as well as by other economic institutions following upon those events, make desirable a record and analysis of the position attained by the labor movement in the second largest American city before the turn of the decade.

The gainfully occupied population of Chicago at the beginning of 1930 included 1,558,858 workers above ten years of age. Of this number it is estimated that 54,538 workers were attached to industries engaged in the business of interstate communication and transportation, and these are eliminated from consideration here because of the territorial limitations of this study. The 1,330,118 remaining, after allowance has been made for employers and other entrepreneurs wherever possible, are taken to constitute, for the purposes at hand, the working population of the city.¹ It is the task of this first chapter to review briefly the data indicating the extent and location of organization for collective bargaining among these workers.

The census heading under which by far the largest number of

¹"Occupation Statistics for Illinois," Fifteenth Census of the United States (1930). All occupational data for 1930 used are based upon the material of this bulletin. Hereafter cited as Census (1930).

workers are classified is that of "Manufacturing and Mechanical Industries." For purposes of indicating the extent and location of trade-union organization, the 501,558 workers who are estimated to belong within this group have been separated into smaller industrial groups, and the data for these, together with the figures of union membership, are presented in Table I.

TABLE I

Occupational Distribution and Union Membership in Manufacturing and Mechanical Industries, 1929

	Total Number of Workers*	Union Members	Per Cent Organized
Building construction	121,468	98,369	81
Building-materials manufacturing	7,888 ^a	5,886	72
Metal-products manufacturing ...	141,875	8,924	6
Printing and allied industries .	35,577	17,192	48
Wearing-apparel manufacturing ..	46,901	25,024	53
Bakery-products manufacturing ..	10,118	2,377	23
Cigar and tobacco factories	1,246	706 ^b	57
Beverage manufacture	811	450	55
Harness and leather goods	1,350	185	14
Broom manufacturing	427	125	29
All other mechanical occupations	134,009	3,805	3
Total	501,558	162,743	32

*Based on Census (1930).

a. Includes only clay, concrete, and planing-mill products and awnings.

b. Union membership for 1927.

Except where otherwise indicated, union-membership figures in the entire study are given exactly as reported to the writer by union officials. In some cases access has been had to union-membership rolls, but in general the figures should be taken as estimates by those in close touch with union affairs rather than as actual counts. Efforts have been made to check on these estimates from other sources, and wherever they appear obviously to be far from accurate, this has been indicated in footnotes. In all cases not specifically indicated the membership figures have been reported as averages for 1929.

Reference to Table I indicates that unions of construction- and building-materials workers had been able to obtain the highest degree of control over the labor supply. Although the build-

ing-material workers are engaged in occupations that might be classed as factory production, they are closely related to the construction men. The labor organizations within this group included the local unions of millmen, carpenters, the upholsterers, a small union of granite cutters, and four local unions affiliated with the United Brick and Clay Workers. The Brick Workers had complete control over the labor force of all the brick yards of the city, but had no membership in the terra-cotta factories. The upholsterers, whose name is misleading since they had only a very small representation in the furniture factories of the city, had five active local unions of workers in the awning-manufacturing shops and among the carpet and linoleum-laying mechanics. Some of these workers might very properly be classed as construction workers since they were engaged in finishing work on buildings, but the difficulty of separating these from the shop workers compels the treatment of the entire group as building-materials workers.

In metal-products manufacturing, labor organization is largely limited to small pattern shops, jobbing foundries, establishments manufacturing printing equipment, and factories making fixtures used in the construction of buildings. The greatest degree of union control in the allied printing industries was found in the newspaper establishments and the so-called special process houses (photo-engraving and electrotyping shops, and trade-composition houses). In wearing-apparel manufacturing, workers attached to the men's garment industry were found to be highly organized, while unionism was less extensive among workers engaged in the making of women's wear. The character and location of organization for collective bargaining in all of these important branches of industry, building, metal products, print-

ing, and clothing are accorded detailed treatment in subsequent chapters.

Several smaller groups of organized workers active in mechanical industries merit some attention here. The Cigar-Makers' Local Union with about 700 members controlled more than one-half of the workers within its jurisdiction. This extent of control must be considered in relation to Chicago's position in the national market and to the fact that the benefit system of the union tended to hold many old men in the organization who were not actually working at the trade. Since 1919 all the larger factories (employing more than 50 men) formerly located in Chicago have moved to other cities.²

As a result of these shifts in the location of industry, most of the city shops in operation in 1929 were undertakings of individual cigar-makers who employed no help or perhaps only one or two assistants.³ The only two tobacco factories of national importance in Chicago were engaged primarily in preparation and packing of pipe and chewing tobacco. The Amalgamated Tobacco Workers' Union, which claims jurisdiction over this field, had been forced to content itself with a membership limited to ten workers employed by a small snuff-packing company in 1929.

²In August and September, 1919, the Congress Cigar Co., the Julius Fernback Co., and Grammes and Elson moved, the first mentioned going to Philadelphia and the last to New Orleans. See Tobacco, September 4, 1919, p. 10; September 18, 1919, p.18; September 25, 1919, p.8.

³In 1929 the largest cigar factory of the city employed only forty workers. The typical factory in Illinois (more than one-half of the Illinois factories are in Chicago) in 1928 produced an output of only slightly more than 100,000 cigars according to the report of the Commissioner of Internal Revenue for that year. A fairly skilled hand cigar-maker can produce from 1,500 to 2,000 units per week, or from 75,000 to 100,000 in a year of fifty weeks' steady employment; therefore it is clear that the typical cigar-manufacturing establishment of the city employed only a small number of workers.

A somewhat similar situation exists in the bakery-products industry, where union control is largely confined to small retail bakeshops. Although the union of Bakery Wagon Drivers because of its strategic location has exerted a powerful influence in the wholesale branch of the industry, the organization of the inside workers was all but shattered in this field by a strike which occurred in 1929. The larger wholesale establishments in this industry, which must be located close to their markets,⁴ were not able to follow the lead of the large cigar factories and move to other cities; they simply removed the union from control. There were several fairly large union establishments in 1930, but most of the 2,400 members of the Bakery Workers' Union were employed in retail bakeshops having an average of not more than two mechanical workers per establishment.⁵

The specific industrial location of the Bakery Workers' Union stands out in sharper relief when attention is called to the fact that the organization claims jurisdiction over approximately 10,000 additional workers, reported in Table I under the "all other industries" classification, who are employed in candy,

⁴In the proposed baking consolidation of the Ward Food Products Corporation, a radius of fifty miles was considered to fix the limit for the market. Bread must reach the consumer within twelve hours after it leaves the oven or it will be rejected. See Carl L. Alsberg, Combination in the American Bread Baking Industries (Food Research Institute, "Stanford University Publications," 1926), p. 41.

⁵Like many averages this may be misleading. In 1928 the union reported that twelve wholesale bakeries recognized the organization. Examination revealed that these establishments were either affiliated with restaurants or were in reality retail bakeries doing some wholesale business. One chain-store system found the use of the union label advantageous and operated the largest union bakery in the city. In general, the statement that unionism among bakery workers was limited to the employees of small retail bakeshops is correct. Union records indicate that from 1,200 to 1,500 bakeries rely upon the organization for their labor supply. See also Ursula B. Stone, The Baking Industry (University of Chicago Ph.D. thesis, 1929), pp. 125 ff.

ice cream, and cracker factories.⁶ If this wider jurisdictional claim is considered, the organization can be given credit for control over only about 12 per cent of the working force within the boundaries of its domain. A small local of ice-cream workers was organized in 1930, but because of its insecure position, it is not taken into account in any of the foregoing estimates.

Of the remaining organizations in manufacturing industries there is none which exerts any extensive degree of control. The Brewery Workers retained a small membership active in the beverage-making plants, but since the formal disappearance of the brewing industry, the organization has been but a shadow of its former self. Neither the organization in glass manufacture (reported in the "all other industries" classification of Table I) nor that in the manufacture of leather products has been of any marked influence in the local labor market in recent years. Although having trade formal agreements with only six firms, the Leather Workers retained some membership among workers in other smaller luggage repairing and manufacturing shops of the city. In the manufacture of glass products one local affiliated with the Glass Bottle Blowers' Association and two with the American Flint Glass Workers' Union with combined membership of ninety-one, constituted the only remnant of labor organization in the city. The other organizations grouped under "all other industries" include the Gas Workers and the Dairy Employees. The Gas Workers' membership apparently represented more than 50 per cent of the total working force employed in the city gas works, although the figures for this organization are not very reliable. The

⁶The 1917 Census of Manufactures reports 20,487 wage-earners in "Ice-cream and other Dairy Products" establishments, candy, ice-cream, and macaroni factories.

Dairy Employees' Union is affiliated with the International Brotherhood of Teamsters, and may be improperly classified. While this possibility of improper classification would slightly influence the estimate of extent of organization in the mechanical industries, this need make no significant difference in the conclusions as long as the character of the union is made clear. The organization comprises workers employed in pasteurizing and bottling plants and not workers employed on dairy farms.

In the fields of wholesale and retail trade only slightly over 8 per cent of all the workers were members of labor organizations, but in some classifications within this broad occupational division unionism was more extensive. The estimated total number of workers engaged in trade, together with the union membership for 1929 in separate branches, is reported in Table II.

The largest organization of the group reported in Table II was to be found in the retail butcher shops of the city. The Amalgamated Meat Cutters and Butcher Workmen of North America had eight locals in Chicago in 1929. Of these, one consisted of seventy-eight food inspectors employed by the city, who are therefore classified in a group treated later as public servants, and seven were local unions of meat cutters employed in retail butcher shops.⁷ The International Union also has chartered a local of Cattle Butchers, 87, which has jurisdiction over packing-house workers, but this organization has had a negligible influence since the defeat

⁷These consist of Locals 320, 571, and 596, having jurisdiction over South Side butcher shops; 546, the largest of the local unions covering all non-Jewish butcher shops in other sections of the city; 598, the Hebrew Shochtim (chicken-killers); and 678, Bohemian meat cutters. Local 547, which is also included in this group, is an organization of negro butchers formed recently and having approximately 200 members. See Federation News (official publication of the Chicago Federation of Labor), March 1, 1930, p. 6; also Chicago Whip, June 18, 1930.

in the packing-house strike of 1921. If the packing-house workers are taken into consideration in calculating the extent of control which this union has been able to exercise, its showing is considerably less favorable. The Census of Manufactures for 1927 reported 25,115 wage-earners employed in wholesale slaughtering- and meat-packing establishments. Workers in these establishments are classified under "all other mechanical occupations" in Table I of this chapter. If the figure representing the workers in the packing industry is added to that for the workers in retail butcher

TABLE II

Occupational Distribution and Union Membership in Trade, 1929

	Total Number of Workers*	Union Members	Per Cent Organized
Drug stores	6,000 ^a	2,400 ^b	40
Butcher shops	8,600 ^c	4,818	56
Florists	450 ^c	225	50
Clothing and department stores .	21,000 ^a	850 ^b	4
Oil stations	2,242 ^a	2,200	98
Lumber and coal yards	3,815	2,400	63
All other wholesale and retail trade establishments	114,137	300	d
Total	156,244	13,193	8

*Except as indicated below, data based on Census (1930).

The unions in the drug and clothing stores are Locals 180 and 195 of the Retail Clerks' International Protective Association. This Association also has chartered a local of furniture clerks, 425, and one of grocery clerks, 694, but neither of these locals appears to have achieved a stable position. Both of them were suspended by the international union for failing to pay per capita tax, and, although affiliated with the city central body, have given it no financial support; hence they are not included in the data presented in Table II. See Retail Clerks International Advocate, January-February, 1930, p. 28; November-December, 1929, p. 19.

a. Figures for sales employees only, as reported by experimental Census of Distribution (1926). These figures are probably conservative estimates for 1929, and result therefore in an exaggeration of the percentage of union control.

b. Membership probably much exaggerated.

c. Based on correction of Census (1920) since 1930 data not satisfactorily classified.

d. Less than 1 per cent.

shops, the total union membership represents only about 14 per cent of all the workers to which the organization has claimed jurisdiction. Except for the packing-house teamsters and horseshoers, not any of the regular employees of the wholesale slaughtering establishments were recognized as members of trade-unions. Company representation plans were in operation in several of the large packing plants, and some of the employees may continue to hold membership in Local 87 of the Amalgamated Meat Cutters, but 1930 found certainly not more than 100 members of this local, and these members probably kept their affiliation secret.

Unfortunately the 1930 census data do not make possible the separation of laborers in coal yards from those in lumber yards, where no organization existed. So far as can be learned, most of the laborers in the coal yards were union members in 1929. Both the oil-station attendants and the coal-yard laborers were found closely affiliated with the local transportation employees, and their unions have been highly successful in retaining virtually complete control over all the employment opportunities.

In the figure presented in Table II for the number of workers in retail florist shops, no allowance has been made for dealers, since in many cases these men work in their own shops and are all eligible to union membership. Of the 225 members of the Florists' Union (Federal 10615), about 50 per cent were retail dealers operating their own establishments.

Since no reliable information has been available as to the number of dealers affiliated with the Drug Clerks' Union, and since the estimate for the total number of workers in drug stores includes "sales employees" only, it is evident that the figure of 40 per cent organization is much too liberal. The membership of the union must have included a number of proprietors, as it was

originally organized under stimulus of the independent dealers as a device to combat the competition from the newly developed chain stores.⁸ The claim has been made that the union is recognized by most of the independent drug stores, but it is clear that this claim, like the figure for union membership reported above, considerably exaggerates the facts, although information has not been available which would permit determination of the probable error.

The other active organization affiliated with the Retail Clerks Protective Association, Local 195, has confined its activities to a small group of West Side stores catering primarily to working-class customers. It admittedly has made no attempt at organizing the workers in the numerous other retail establishments located elsewhere.

In the field of domestic and personal service, there were three organizations which had active locals in Chicago: the Hotel and Restaurant Employees' International Alliance and the Bartenders' International League of America, the Journeymen Barbers' International Union, and the Building Service Employees' International Union. Several organizations of narrower scope have also been classified with this group. Table III summarizes the occupational distribution and union membership of domestic and personal servants.

The difficulty of drawing a sharp line between the various industrial groups is especially marked in the case of personal and domestic servants, and no positive assurance can be given that justice has been accorded to the jurisdictional claims of the Hotel Employees and of the Building Service Unions in the occupational

⁸See Pharmaceutical Era, July, 1927, p. 183

Even if it is assumed that this most favorable estimate of numerical strength is correct, it is apparent that the Drug Clerks' Union had not become powerful enough to establish a standard wage rate by 1930. Its agreement of that year did specify a standard rate, but it also indicated that this rate was not to take effect until 80 per cent of the drug stores of the city had signed the agreement.

analysis made in Table III. The fact is that the jurisdictional claims of many unions are flexible and frequently overlap. This factor of uncertainty as to the classification should be borne in mind in interpreting the estimates of the per cent of organization in all trades, but it is particularly applicable to the data presented in Table III.

TABLE III

Occupational Distribution and Union Membership in Domestic and Personal Service, 1929

	Total Number of Workers*	Union Members	Per Cent Organized
Hotel, restaurant employees and servants	87,185	1,386	2
Building-service employees ...	42,616	15,498	36
Barbers, hairdressers, etc. ...	14,343	4,081	28
All other personal and domestic servants	36,273	0	0
Total	180,417	20,965	12

*Census (1930).

Allowance has been made among building-service employees for 3,400 public-school janitors, who are included in the public-service classification in this chapter.

Within the limitations noted in the foregoing paragraph, it will be observed that very meager organization existed among the hotel and restaurant employees. The International Union had five locals (Nos. 25, 278, 444, 484, and 865) in Chicago, but none of them had continuous agreements with any employers. Their chief fields of activity were the numerous hotel banquets for which some employers found the unions a convenient source from which to obtain extra workers, and the public amusement parks. No effective permanent organization of workers existed in any of the hotels of the city or in most of the restaurants. Whatever may be the exact limits of the jurisdiction of the union, this very small absolute

membership means that its extent of control over the working force was slight.

The relatively strong position of unionism in the building-service group is largely accounted for by the power of the Flat Janitors' Union. This organization held very extensive control among the workers operating apartment houses, although the allied unions have not been able to make as effective a showing. The Elevator Operators and the Stationary Engineers were next in line with about 50 and 33 per cent of their respective jurisdictions under union control. The Elevator Operators' Union, a conservative organization which has for years worked in close co-operation with the Building Managers' Association, was the only one of the building-service unions which had any extensive representation among the employees of "Loop" office buildings. The Theater and Office Building Janitors' Union has been forced to limit its activity exclusively to workers employed by the motion-picture theaters of the city. Although the stationary engineers have been classified in this group because of the similarity between their duties and those of the flat janitors, most of the members of the Operating Engineers' Union were employed in operating boilers in industrial plants, and only a few of them were at work in residential buildings.

Of the remaining organizations of personal-service workers only the Journeymen Barbers' Union was in a position of substantial power. The 4,039 members of the two local unions represented about 28 per cent of the total number of workers classified by the 1930 census under the heading of barbers, hairdressers, and manicurists. Although it is not possible to separate the barbers from the other two groups included in this classification, an approximation at such a separation may be reached by a subdivision of the

total number on the basis of sex, since most of the barbers were male workers. Such a separation fixes a total of 8,744 male workers as falling within this group, and the barbers' union membership represented about 46 per cent of this figure. If allowance could be made for the employing proprietors, the union membership would probably represent more than 75 per cent of the employed barbers and of those proprietors who operate their shops unassisted.

The workers engaged in furnishing local transportation service have been able to maintain more extensive organization than have any of the other large occupational groups. The relative importance of unionism among local transportation workers is indicated by the data presented in Table IV.

TABLE IV

Occupational Distribution and Union Membership in Local Transportation, 1929

	Total Number of Workers*	Union Members	Per Cent Organized
Teamsters, chauffeurs, and allied occupations	56,813	43,517 ^a	77
Street-railroad-operating employees	21,345 ^b	21,345	100
Telephone operators	15,015	0	0
Total	93,173	64,862	70

*Census (1930).

a. The figure of union membership for teamsters and chauffeurs given above does not represent all the local unions affiliated with the two teamsters brotherhoods, since the Dairy Employees have been included in the figures given in Table I, and the oil-station attendants and coal-yard laborers are classified as workers in trade. (For details, see chap. v, n. 2.) The figure above also includes horse-shoers.

b. Figure from company reports. See chap. v, n. 2.

In accordance with the census classification, telephone operators have been classified with local transportation employees. Although the International Brotherhood of Electrical Workers claimed

the right to organize the telephone operators, there was no union for this group of workers in Chicago. For the other workers classified as engaged in local transportation, only a few remained outside the organized labor movement. Very nearly all of the workers engaged in the actual operation of trains and mechanical work for the street and elevated railway lines of the city were union members. The clerical workers employed by the street-railway companies were not organized, nor are they included in the occupational figures presented in Table IV.

In the field of teaming and auto-truck transportation, the drivers of delivery wagons for the department stores, the taxicab drivers, and the auto-bus drivers were the only conspicuous groups not affiliated with the trade-union movement. The 77 per cent organization of the teamsters and chauffeurs represented almost complete organization if the groups mentioned above are excluded from consideration.

The remaining occupational groups may be classified under the three main headings of "Public," "Professional," and "Clerical Service." In Table V, which brings together the data on these groups, no attempt has been made at a detailed subdivision, since the census data, as well as the jurisdictional claims of the unions, would make such division extremely unreliable.⁹

While a detailed study of the employment conditions of the organized public servants, who must rely to a large extent upon "the method of legal enactment," is not strictly within the scope of a study of collective bargaining, the membership figures for this group are included here in order to make the data on the locally organized workers complete.

⁹It has not been possible to allow for entrepreneurs in any of these three classifications except in the amusement industry.

TABLE V

Occupational Distribution and Union Membership in Public, Professional, and Clerical Service, 1929

	Total Number of Workers*	Union Members	Per Cent Organized
Public service:			
School-teachers	19,425	2,616	14
All other public servants (non clerical)	35,372	18,808	53
Professional service:			
Amusements	13,667	10,359	76
All other professional servants	71,131	0	0
Clerical service	255,495	0	0

*Census (1930). Certain slight adjustments have been made in the census classification for the purpose of this table. The motion-picture-machine operators have been transferred from mechanical industries to professional service in order to bring them into the same category as the other workers in the amusement industry. The school-teachers have been transferred from professional to public service, mail-carriers from transportation to public service, while allowance has also been made for the public-service engineers who are apparently classified by the census under mechanical pursuits. A similar deduction from the census figures for domestic and personal servants has been made to allow for the public-school janitors. These have been classified above under public service.

Although some of the school-teachers are hired by private institutions, no serious damage is done to the facts by treating them all as public servants. Two organizations, the Chicago Federation of Teachers and the American Federation of Teachers, have had membership among this group of workers. The American Federation, which is affiliated with the A.F. of L., had four local unions in 1929 with a combined membership of 616. The local dual organization has had an extensive membership among the public-school teachers, but the figure of 2,000 members included above was probably a liberal estimate of its 1929 position.

The activities of the other public servants are scattered among a widely diversified number of occupations, many of which are clerical in nature. The census has classified most of such workers

under the heading of "Clerical Occupations." It is certain, therefore, that if the data permitted a consolidation of all the public servants under one heading, the extent of union membership for the group as a whole would be much below the figure given in Table V. Aside from the organization of teachers, the more important unions of public servants were those of the post-office clerks, letter-carriers, the firemen and oilers, the public-school janitors. "white wings," and the fire-fighters. In addition to the organization of these groups, which were affiliated with national unions, fifteen of the forty-five local unions in Chicago chartered directly by the A.F. of L. were organizations of government employees. These fifteen federal unions had a combined membership of 2,341, which has been included in the figures reported in Table V.

Such organization as is recognized to be of a strictly trade-union character among professional workers was limited to the amusement industry. As indicated in Table V, 76 per cent of the amusement workers were members of trade-unions. The only group of amusement workers among whom organization was found to be weak was that of the vaudeville performers.

Except for the workers employed in mining and agriculture, who are insignificant in the Chicago labor market, the only major occupational group as classified by the Census Bureau in which no organization whatever was found is that of clerical occupations. A small organization known as the Office Employees' Union was in existence, but it consisted entirely of municipal employees, and is therefore reported among the fifteen federal unions referred to above. A summary of the preceding discussion may now be presented in tabular form.

TABLE VI

Occupational Distribution and Union Membership in Chicago, 1929

Occupational Groups	Total Number of Workers	Union Members	Per Cent Organized
Extractive industries	3,636	0	0
Manufacturing and mechanical industries	501,558	162,743	32
Local transportation	93,173	64,862	70
Trade	156,244	13,193	8
Public service	54,797	21,424	39
Professional service	84,798	10,359	12
Domestic and personal servants.	180,417	20,965	12
Clerical occupations	255,495	0	0
Total	1,330,118	293,546	22

On the basis of information presented in Table VI, it is now possible to state that the 293,546 union members in the city represented only slightly more than 22 per cent of the total working population exclusive of those engaged in interstate transportation.¹⁰

Within the nine classifications followed by the Census Bureau, that of local transportation stood out clearly as possessing the highest degree of organization, and that of non-clerical public service came next in order. The manufacturing and mechanical

¹⁰For present purposes all workers over ten years of age have been considered. If allowance were to be made for workers between ten and seventeen years of age, as has sometimes been done in estimates of the extent of union organization, it would make a difference of approximately 1.5 per cent in the final estimate of the degree of organization in the city. The usual basis upon which such workers are excluded when estimates of this kind are made is that they are assumed to be "unorganizable." The position here taken is that in an effort to measure the degree of organization of the working population, it is not permissible to assume beforehand that any group is unorganizable. In any case, the point is an academic one, since a revision of the figures by eliminating workers from ten to seventeen years of age, or even from ten to twenty years of age, would make no substantial difference in the conclusions which are derived from the estimates given above. The procedure here followed corresponds with the practice adopted by Wolman. See his *Growth of American Trade Unions* (National Bureau of Economic Research, 1924), p. 82.

industries were third in line, having 32 per cent of the workers enrolled in trade-unions. Somewhat more than 12 per cent of the workers classified in professional service and a slightly smaller proportion of those in domestic and personal service were affiliated with labor organizations, while only 8 per cent of those engaged in trade were in this position, and there was no labor organization whatever among the other three occupational groups. A brief statement of the relative positions of these groups in this form should be regarded as convenient rather than especially significant, since the percentages of organization may be changed by adopting a somewhat different classification. In the manufacturing and mechanical industries, building construction, printing, and clothing manufacturing were the highly organized sections of industry, which accounted in large part for the final average of the group. The mechanical industries operated extensively on the factory system, conspicuously iron- and steel-products manufacturing, slaughtering and meat-packing, and electrical-equipment manufacturing, were almost entirely without any representation in the organized labor movement. A careful examination of the Chicago market reveals that organization of labor in the so-called mechanical industries was limited almost entirely to small shops and contracting establishments.

In the field of domestic and personal service, the Flat Janitors' Union and the Journeymen Barbers account for over one-half of the total union membership for the group. Similarly, in professional service unionism was concentrated among the workers of the amusement industry. In the field of local transportation and communication, organization was extensive throughout all branches except for telephone communication. A final word of caution may be desirable with reference to the data for trade and clerical occupations. The

census reports issue the warning that a number of workers classified in clerical occupations are probably clerks in stores in spite of the efforts of the Census Bureau to avoid such treatment. To the extent that an error of this kind tends to minimize the number of workers actually engaged in trade, the figure of even 8 per cent of union membership in this field is an exaggeration.

It is now desirable to focus attention upon the more specific details regarding the location, extent, and character of union-employer relations. It has not been found possible to present extensive material on the bargaining relations of all the unions for which membership data have been summarized in this chapter. However, for organizations functioning in seven of the more significant industrial settings, an attempt has been made at detailed analysis of the employment conditions established by collective action. This analysis, supplemented by some material on the remaining organizations, may make it possible to suggest some of the underlying economic forces which tend to support union collective bargaining, as well as those which set up obstacles sometimes too great to be overcome.

CHAPTER II

THE BUILDING-TRADES CRAFTSMEN

I. The Organization of the Industry

Collective bargaining is probably more generally accepted as determining the employment relationship in building construction than in any other Chicago industry. Here organization is extensive among employers as well as among workers. Although but a minority (about 17 per cent) of the 4,726 contractors listed in the Census of 1930 were directly affiliated with some one or another of the three principal employers' association, these were by far the most important builders of the city. The two largest groups of organized employers are known as the Building Construction Employers Association¹ and the Associated Builders. The third employing group, while claiming a smaller number of affiliates, has recently come to exercise considerable influence in the local labor market.

The B.C.E.A. is the oldest of these three associations as well as the most influential. Its members number more than 450 and performed nearly 60 per cent of the building done in Chicago in 1929.² Its membership is comprised of the following groups:

Organization	Approximate Membership
The Builders Association	65
The Cement Contractors Association	20
The Chicago Mantel and Tile Dealers Association	15
The Chicago Marble Dealers Association	15
The Chicago Master Steamfitters Association ...	150
The Chicago Plumbers Association	30
The Chicago Machinery Movers Association	8
The Chicago Mosaic and Terrazzo Association ...	14
The Concrete Contractors Association	6

¹Hereafter referred to as B.C.E.A.

²Interview with official of B.C.E.A., July 3, 1930.

The Composition Floor Manufacturing Association.....	6
The Decorating and Painting Contractors Association..	15
The United Employers Association of the Wood Industry	10
The Pipe and Boiler Covering Employers Association ..	10
The Iron League.....	70
The Employing Plasterers Association	10
The Employing Lathers Association	10

In addition to these associations, the members of which automatically become eligible to membership in the B.C.E.A., about thirty-five individual contractors are directly affiliated.

The other federated organization of employers in the building-construction industry, known as the Associated Builders, had its origin in 1920. Its structure is so similar to that of the B.C.E.A. as to suggest that it was modeled after the older organization, even though it has in fact been a rival of it. The nucleus for the formation of the Associated Builders was found in the Carpenter Contractors' Association and the Masons' and Builders' Association. Later, the Cut Stone Contractors' Association also affiliated. In addition to these associations, a large number of general contractors have joined the organization directly, giving a total membership of about 330 contractors as either directly or indirectly affiliated. The membership in June, 1930, was divided approximately as follows: Cut Stone Contractors, 48; Carpenter Contractors, 105; and Mason Contractors, 180.³

While the actual signing of agreements is left to the associations within the separate branches of the construction industry, both the B.C.E.A. and the Associated Builders supervise the making of the agreements of their members, even to the extent of drawing up those agreements. They both have also set up arbitration machinery for interpretation and enforcement of trade agreements, and have, as well, pledged united support of the organization in this enforcement.

³Interview with official of Associated Builders, July 2, 1930.

The third organization, known as the Citizen's Committee for the Enforcement of the Landis Award, needs to be kept in mind as influencing the relations of these two employing groups with the organized workers. Except in regard to those labor organizations which accepted the Landis Award (representing about 25 per cent of the Chicago union membership), the Citizen's Committee has stood for the open-shop principle and has brought thousands of non-union craftsmen to Chicago for the purpose of maintaining this principle. Born as a result of the revolt against the arbitration award of Judge Landis in 1921,⁴ this organization functioned as a third-party vigilance committee until it was reorganized early in 1929 following the decision of the Illinois Supreme Court, which granted the Carpenters' District Council an injunction restraining those members of the Citizen's Committee not directly affiliated with the building industry from interfering with the union's relations with the employers.⁵ The character of the reorganization is suggested by the new name, the Landis Award Employers' Association,⁶ which was adopted in 1929. The members of industries outside building construction withdrew, and the committee became strictly an organization of building-construction employers.⁷ At the beginning of the year 1929 there were 137 Chicago contracting firms and nine firms located in neighboring communities who were united under the banner of this

⁴See R. E. Montgomery, Industrial Relations in the Chicago Building Trades (University of Chicago Press, 1927). Hereafter referred to as Montgomery.

⁵Carpenters' Union v. Citizen's Committee (1928), 333 Ill. 22. The Citizen's Committee as originally organized consisted of representatives from a number of industries other than building construction, and the court ruled that it was unlawful for third parties having no direct interest (other than common with the general public) to interfere with the employment relations of the members of the Carpenters' Union.

⁶Hereafter referred to as L.A.E.A.

⁷Interview with an official of the Associated Builders; American Contractor, March 23, 1929, p. 20.

association and were conforming to the terms of the Landis Award.⁸

There is some duplication in the membership among these three organizations,⁹ but this may be disregarded, and they may be treated for our purposes as being quite independent. Until its reorganization, the Landis group could scarcely be considered as a party to collective labor agreements. During the period between 1921 and 1923, when the original Landis Award was in effect, a very close relation existed between the Associated Builders and the Citizen's Committee, the Associated Builders following the Landis Award without deviation and co-operating with the Citizen's Committee in its enforcement.¹⁰ Although technically the Landis Award terminated in the spring of 1923, it was not until three years later that the central organization of the building-trade unions, the Building Trades Council, felt secure enough to insist that the agreements should henceforth all provide for the closed union shop, and so assert itself in opposition to the Citizen's Committee. By November, 1926, the majority of the contractors affiliated with the B.C.E.A. had accepted the new closed-shop conditions and had left the Citizen's Committee.

Although the stand of the Associated Builders since 1926 is not quite definite, there seems to have been a tendency toward closer official co-operation with the B.C.E.A. in recent years,

⁸Data obtained from a pamphlet entitled Landis Award Contractors, compiled by the L.A.E.A. and furnished by courtesy of a representative of another contractor's association.

⁹At least five members of the Builders' Association, which is affiliated with the B.C.E.A., are also members of the L.A.E.A., as are several members of the Associated Builders.

¹⁰See Montgomery, op. cit., p. 106. Although the president of the Associated Builders is also a member of the reorganized L.A.E.A. and has publicly praised the Landis Award organization (see American Contractor, December 7, 1929, p. 18). the Associated Builders does not now officially indorse the principles set forth by the Citizen's Committee (interview with an official of the Associated Builders).

however much some of the individual members may have continued to support the Landis Association.¹¹ Several members of the Associated Builders have continued their adherence to the Landis principles through membership in the new L.A.E.A. It is not possible to allow for all duplication, but it is probable that there were at the beginning of 1930 somewhat more than nine hundred Chicago contractors affiliated with one or another of these three associations. Over one-half of these (464) were to be found in the B.C.E.A., a little more than one-third (333) were members of the Associated Builders, and the remainder (137 or about one-sixth of the total) were still abiding by the fundamentals of the Landis Award. Of greater significance in indicating the relative influence of these three organizations on the Chicago construction industry are figures as to the percentage of the total amount of Chicago building controlled by each of them. During the first years of its existence the Citizen's Committee claimed that over 85 per cent of the work done in Cook County was done under Landis Award conditions, and confirmation of this is contained in the fact that the committee's insurance of the buildings during the first three years of its existence¹² represented slightly more than 87 per cent of the valuation of Chicago buildings for which permits had been issued during those years. With

¹¹An official of the Associated Builders told the writer in response to an inquiry regarding the present high level of wages that it was due to the ability of the unions to "jockey" between the two associations in the past. "We hate to admit it, but it's true that such a condition has existed," he stated. However, "at present" (June, 1930), he asserted, "co-operation between the B.C.E.A. and the Associated Builders is a fact." Perhaps the fact that the Associated Builders moved its offices to the Builders' Building (the home of the B.C.E.A. and built and financed through the efforts of its membership) in the spring of 1928 is indicative of this new spirit of co-operation between the associations, although no very strong inference may be drawn from it. There are doubtless many other reasons why a location in the midst of a builder's fraternity proves desirable.

¹²See Montgomery, *op. cit.*, p. 281. Riot insurance was carried on building valuations to the amount of \$779,000,000 during the years 1922-24, by the Citizen's Committee, while Chicago building permits issued 1922-24 totaled \$873,028,688, according to the Bureau of Labor Statistics.

the acceptance by the B.C.E.A. of the return to closed-shop conditions in 1926, however, building under the terms of the Landis Award fell off sharply. Nevertheless, despite the statements of labor representatives,¹³ the contractors working under the Landis Award as members of the new association still exert an appreciable influence on the local industry.

For 1928 the building under the Landis Award represented 7 per cent of the total value of Chicago building permits, while in 1929 this figure had risen to 10 per cent, owing to an absolute increase in the Landis contracts completed and a shrinkage in the total volume of building.¹⁴ In 1930 one employer representative estimated for the writer that 30 per cent of the building in Chicago for the first six months of the year had been done by Landis Award contractors. It is certain that with the decline in building activity during 1929-30 the open-shop movement has gained some ground. The nearest approximation to the relative amounts of business performed by each of these groups in 1929 is that the B.C.E.A. controlled well over 50 per cent of the total, the Associated Builders over 20 per cent, the Landis group 10 per cent, and that the remainder (not over 20 per cent) was done by independent contractors.¹⁵

Turning attention to the unions involved, one finds that the party of the second part is made up of 91 locals, having a total of 98,369 members (see Table VII).¹⁶ An effort has been made to

¹³See, e.g., Bulletin of Metal Trades Department (A.F. of L.), April, 1929, p.6. Several union representatives have told the writer that "the Landis group is now (1930) very inactive."

¹⁴These figures are calculated on the Bureau of Labor Statistics building permits and the information contained in the 1929 official report of the L.A.E.A., furnished me through the courtesy of an official of the Association.

¹⁵These estimates are based on information obtained in interviews with officials of the B.C.E.A. and the Associated Builders, and from the Annual Report of the L.A.E.A.

¹⁶Except for Granite Cutters' local.

exclude from this group all workers not engaged in actual building construction, with the usual difficulties that attend the application of academic classification to reality. Several of the foregoing organizations include men engaged in building maintenance as well as men working in factories manufacturing building materials, but it is impossible to separate all of these. With the allowances and transfers that have been made, however, it is fairly certain that there were at least 97,000 actual building-construction unionists in Chicago in 1929. This number represented approximately 10 per cent of the total reported number of building-trades unionists in the United States in that year.¹⁷

TABLE VII

Membership of Chicago Building-Trades Union, 1929

Asbestos Workers	
Local 17	250 ^c
Boiler Makers	
Local 1	500 ^a
Bricklayers and Masons	
Local 21 Bricklayers	7,917 ^a
Local 41 Terrazzo Workers	70 ^a
Local 66 Marble Setters	200 ^c
Local 67 Tile Layers	470 ^a
Bridge and Iron Workers	
Local 1 Structural	1,933 ^a
Local 63 Architectural	600 ^b
Local 136 Machinery Movers	269 ^a
Local 179 Stone Derrick Men	230 ^a
Carpenters District Council	
24 Chicago construction locals	22,051 ^a
Drain Layers	250 ^c
Electrical Workers	
Local 9 Linemen	1,000 ^b
Local 134 Inside Construction	6,682 ^a

¹⁷See U.S. Bureau of Labor Statistics, Handbook of American Trade Unions, Bull. 506. This percentage would be considerably higher if it were possible to eliminate from the national figures those locals which are made up of workers in the subsidiary industries.

TABLE VII--Cont.

Elevator Constructors	
Local 2 Construction Men.....	655 ^a
Engineers	
Local 150 Hoisting and Portable	750 ^d
Hod Carriers and Building Laborers	
11 Chicago locals	18,000 ^a
Lathers	
Local 74	1,200 ^a
Machinists	
Local 136 Construction	500 ^b
Marble, Slate, and Stone Workers	
Local 3 Marble Polishers	150 ^c
Local 22 Marble Setters Helpers	200 ^c
Local 25 Tile Setter Helpers	456 ^a
Local 26 Terrazzo Worker Helpers	250 ^a
Painters District Council 14	
20 Chicago locals of painters	18,200 ^a
Local 27 Glaziers	520 ^a
Local 624 Glaziers	485 ^a
Plasterers	
Local 5 Operative Plasterers	3,190 ^a
Local 502 Cement Finishers	1,500 ^a
Plumbers United Association	
Local 130 Plumbers	3,300 ^a
Local 250 Gas Fitters	200 ^a
Local 281 Sprinkler Fitters	210 ^a
Local 597 Steam Fitters	2,500 ^a
Roofers	
Local 11 Composition	600 ^a
Local 17 Slate	225 ^a
Sheet Metal Workers	
Local 73	2,006 ^a
Local 159 Sign Hangers	150 ^a
Stone Cutters Association	400 ^c
Tuckpointers	
Federal Union 13046	300 ^a
Total	98,369

a. Statement of union official either in interview or by letter to present writer.

b. Data based on per capita tax payment for 1929 to the Illinois State Federation of Labor. Calculated from income reports of secretary.

c. 1926 figure latest available. See Montgomery, pp. 56-57.

d. In process of reorganization and membership very unstable. Source, Case 179283 -- Circuit Court of Cook County, L. 569, Engineers v. Maloney et al., May term, 1929.

When entrepreneurs and employer representatives are excluded, it is revealed that there were 121,468 workers attached to the building-construction industry of Chicago at the beginning of 1930.¹⁸ On this basis the unions may be regarded as having had control over 80 per cent of the labor force of the industry.

In such calculations one must bear in mind that the organized workers during the latter part of 1929 and the first half of 1930 were suffering from very severe unemployment.¹⁹ Probably because of the differential between union and non-union wage rates, the general recession in building activity brought to the union building-trades workers a somewhat greater amount of unemployment than to those workers who did not have or did not retain membership in labor-unions. The situation was, therefore, an unstable one, and a calculation of a percentage of organization may be misleading unless one bears in mind the possibilities of substantial shrinkage in membership which might result from prolonged unemployment. To a lesser extent the same warning is applicable to the groups treated in the subsequent chapters.

The Building Trades Council, the central representative body

¹⁸Census (1930). The Unemployment Bulletin on Illinois issued earlier by the Census Bureau classified 109,205 as gainful workers in the "Building Industry," but it is clear that an estimate based on occupational data, which gives a larger figure, corresponds more nearly to the jurisdictional claims of the unions, which are along craft lines.

¹⁹Sixty-seven local building-trades unions for which unemployment data were gathered, representing a total membership of 55,947 (more than one-half of the total organized building-trades workers), reported to the writer that only 25,405 were employed (May and June, 1930), or 45.4 per cent employment for the group. From conversations with employer representatives it seems justifiable to assume that this represented very closely the extent to which unemployment prevailed among other building-trades unions.

of 116 local building-trades unions, is made up of delegates from each of the affiliated unions. Although 116 local unions are affiliated with the B.T.C. directly or through the district council of their craft, 25 of these are either outside Chicago proper or because of the classification adopted here are treated elsewhere. It is the employment relation of the remaining 91 unions affiliated with the B.T.C. which forms the principal subject matter of the present chapter.

II. The Mechanism for Collective Bargaining and the Collective Agreements

The primary mechanism through which the unions affiliated with the local building-trades council negotiate is the Joint Conference Board. This Board consists of 16 members, 8 of whom are selected by the Chicago Building Trades Council, the other 8 by the B.C.E.A.²⁰ These representatives of the central labor organization and of the most influential of the three employers' associations negotiate the terms which govern the employment relations of the majority of construction workers of the city. Created originally as an arbitration body to settle a specific dispute, the Board achieved its outstanding accomplishment in the Standard Agreement formulated in 1915. Following the adoption of this Standard Agreement, the settlement of jurisdictional disputes was one of the most important duties of the Board until the National Board of Jurisdictional Awards was created in 1919. For a while thereafter jurisdictional questions absorbed less of the time of the Joint Conference Board, but with the breakdown of the National Board in 1927, questions of jurisdiction again became major issues for the local body.

²⁰See "Preamble, Resolutions, and Rules adopted by the Joint Conference Board, October 10, 1924," Official Directory of Builders' Association (1929), p. 31. For an account of the manner in which the Joint Conference Board developed out of the 1913 lockout, see Montgomery, pp. 70-74.

The Standard Agreement has been modified and extended from time to time since its adoption, until in its present form it establishes the principal general working conditions of the craftsmen in the Chicago building trades until 1934. The last renewal of this agreement was in 1929 for a period of five years.²¹

It is essential to an understanding of the employment relations in the Chicago building-construction industry to recognize that it is the form of the agreement and not the agreement itself that is the creation of the Joint Conference Board. Whether this Standard Form of Agreement is used in the various trades depends upon the action of the independent local unions and upon the individual employers or associations in the separate branches of the industry. If the Standard Form is not used in any particular branch of the industry, the central organization (i.e., the B.C.E.A. and B.T.C.) may refuse approval of such agreements as may be made, and refuse to render assistance to its member in the event that a dispute arises out of the operation of such agreement, or, as a last resort, may expel the union or association (or individual employer in case of the B.C.E.A.).²²

²¹The previous agreements had all been for three-year periods save for the initial agreement of 1913-15. For details see Montgomery, chap. vi, pp.79-95. The most convenient source from which to obtain the Standard Agreement as well as most of the agreements of the separate branches of the industry is the Official Directory and Guide of the Builders' Association. While not widely circulated, it has been made available to the writer through the courtesy of an official of the Builders' Association and the B.C.E.A. Published annually since 1910, it constitutes the most authentic, comprehensive, and continuous source material dealing with industrial relations in the Chicago building trades.

²²E.g., the Sheet Metal Workers' Union, Local 73, was expelled from the B.T.C. in 1914 for failure to recognize the Joint Conference Board. So far as can be discovered, there never has been a case of expulsion from the B.C.E.A., although it was threatened against the Sheet Metal Contractors in 1915, when they condoned the restriction on non-union materials in opposition to the spirit of the Standard Agreement. Interview with an official of the B.C.E.A. See Montgomery, pp. 73, 99.

Ordinarily, however, those organizations that choose to make agreements differing from the Standard Form do so without loss of membership in the central bodies, although deprived of the privilege of appeal to the Joint Conference Board in the event of dispute. Hence, although the Building Trades Council and the B.C.E.A. through their representatives on the Joint Conference Board formulate the Standard Agreement, the real parties are the affiliated trade associations or unions which, acting independently, adopt or reject the Standard Agreement as their own. Not all of the individual unions or trade associations have adopted it, so that one cannot assume that the Standard Agreement completely covers the market. However, unions having a total membership of about 55,000 had ratified the Standard Agreement at the close of 1929, although the Iron Workers' Local 1, Sheet Metal Workers' Local 73, Steam-Fitters' Local 597, and Sprinkler Fitters' Local 281 had accepted the agreement for less than the full five-year period.

The unions dealing with the Associated Builders, having a combined membership of just under 10,000 (Bricklayers' Local 21, Tile Setters' Local 67, Tile Setter Helpers' Local 25, and Stone Cutters) had signed agreements very similar to the Standard Form of the Joint Conference Board. The unions having agreements substantially different from the Standard Form represented a membership of 28,000, or more than one-fourth of the total organized building-trades workers of the city.²³

The Carpenters' Union, numerically the most important of the

²³This group includes the Painters, who are sometimes reported as working under the Standard Agreement (see B.C.E.A. Bulletin, February, 1928, p. 6; also Montgomery, pp. 93-94). Representatives of the labor groups when asked how many of the building-trades unions use the Standard Form will invariably answer that all of them do, but examination of the agreements reveals unmistakable variations (see infra, pp.

building-trades unions, has only recently returned to the use of the Standard Agreement.²⁴ This new agreement between the carpenters and the Builders' Association, the general contractor's association affiliated with the B.C.E.A., was not accepted by the carpenters without question. It was first rejected by an almost 5 to 1 vote of the membership. Only after a renewal of negotiations which led to provision for an automatic increase from \$12.50 to \$13.00 per day in October was it finally approved by the membership.²⁵ Union officials explain that the reason for failure of approval on the first vote was due to misunderstanding, some workers holding out for a five-day week, others wanting a shorter agreement, but the organ of the employers' association states,²⁶ "it is understood that the principal objection to the agreement was the Restriction Clause of the Eight Cardinal Principles, which provides that 'there shall be no restriction as to the use of any manufactured or raw material except prison made.'" Doubtless all of these factors played their parts, but it is probable in view of historical precedents²⁷ that the last of these was by no means least in its influence.

The Standard Agreement provides, among other things, for the creation of a Joint Arbitration Board²⁸ in each of the separate

²⁴"This is the first joint agreement to be consummated between any body of contractors and the Carpenters District Council since the advent of the Landis Award in 1921. For years prior to 1921 the erstwhile Carpenter Contractors' Association held this agreement with the Carpenters' District Council." B.C.E.A. Bulletin, June, 1929, p. 13.

²⁵American Contractor, March 23, 1929, p. 21; Federation News, May 18, 1929, p. 1.

²⁶B.C.E.A. Bulletin, April, 1929, p. 2.

²⁷See Montgomery, p. 105.

²⁸These should not be confused with the Central Joint Conference Board of the B.C.E.A. and the B.T.C. The names might well have been reversed since the arbitration boards are not really arbitration bodies in the technical sense (as will appear in the later discussion), while the Conference Board, in some disputes at least, acts as a true outside arbitration board.

trades, the union and the employers' association in each trade determining for themselves the number of representatives which shall constitute such boards.²⁹ Each of these boards is then authorized to select an umpire who shall be an outside third party not holding any elective public office. This selection of an outsider gives the appearance of "arbitration" although in practice the umpire is seldom called in, and the boards function as conciliation agencies.

Among the other functions of the Joint Arbitration Board is the completion of agreements for the separate trades by the establishment of wage scales and working rules. The original adoption of the Standard Agreement in 1915, when it was created by the Joint Conference Board as a device to avoid troubles similar to the 1913 lockout, was not automatic with the approval of the executive committees of the two central organizations. The referendum vote of the affiliated unions was essential to secure the use of the Standard Form in any particular trade. Once the Standard Form of Agreement has been adopted by a trade, the next step is a negotiation of the wage scales and specific conditions of employment for the individual scales. Hence there are in each case where the Standard Form is used really two agreements: the one is with reference to general subject matter, which is the same for all trades using this form; the other is a joint arbitration agreement covering wages and working rules in that particular trade.

Thus, although it happens that the two crafts (plasterers and painters) which worked under the forty-hour five-day week in 1930 are also among those which have insisted upon greater or less variations from the Standard Form, it would be perfectly possible for a trade to adhere strictly to the terms of the Standard Form and yet establish hours quite different from any of the other crafts. Like-

²⁹1929-34 Agreement, Art. VII.

wise, the general Standard Agreement may be in force for a longer period than that for which the specific working rules and wage rates are established. This is best illustrated by the listing in Table VIII of the termination dates for recent agreements embodying the Standard Form and termination dates for the wage rates established by the supplementary joint arbitration agreements in specific trades.

TABLE VIII

Local Building-Trades Unions Using Standard Form of Agreement

General Agreement Expiration Date	Union	Wage Agreement Expiration Date
May 31, 1934	Asbestos Workers 17 Bridge & Structural Iron Workers	May 31, 1934
May 31, 1932	Structural Local 1	June 1, 1930
June 1, 1934	Architectural 63	June 1, 1931
May 31, 1935	Machinery Movers 136	May 31, 1932
May 31, 1934	Stone Derrick Riggers 179	May 31, 1934
May 31, 1934	B. & S.M. (Marble Setters) 66	May 31, 1930
June 1, 1934	B. & S.M. (Terrazzo Workers) 41	June 1, 1934
June 1, 1934	Marble St. & S.P. 26 (Terrazzo Helpers)	June 1, 1934
May 31, 1934	Carpenters, 24 locals	May 31, 1931
May 31, 1934	Tuckpointers, Federal 13046	May 31, 1934
June 1, 1934	Electrical Workers 134	June 1, 1931
June 1, 1934	*Engineers S. & O. 150	June 1, 1934
June 1, 1934	Laborers, 11 locals of H.C. & C.L.	June 1, 1934
May 31, 1934	Cement Finishers 502	May 31, 1934
May 31, 1931	Steamfitters U.A. 597	May 31, 1931
May 31, 1930	Sprinkler Fitters 281	May 31, 1930
May 31, 1931	Sheet Metal Workers 73	May 31, 1931
May 31, 1934	Roofers, composition 11	May 31, 1934
May 31, 1934	Roofers, slate, 17	May 31, 1934

*Local 160, Steam & Operating Engineers, replaces Local 569 in accordance with International President Huddell's plan of supervision and centralization of power. Whether this local is permanent is as yet uncertain, the validity of its charter being challenged by some of the remaining members of the old local. See Local 569 v. Maloney, op. cit.

It will be noticed at once that such important organizations as the painters, lathers, plasterers, and plumbers do not appear in the group in Table VIII. This listing of unions using the

Standard Agreement should serve to emphasize that there are four general types of employment relations: first, those established between the members of the B.C.E.A. and the union; second, those existing between the union and the Associated Builders, not radically different from the first, yet with some indications of less sympathy with unions than exhibited by the B.C.E.A.; third, relations established by individual unions with independent contractors not affiliated with either of the two major employers' organizations (in general these are the non-standard agreements); and, finally, those established by the Landis Award Employers Association, either with union or non-union labor, according to whether the union has abided by the terms of the Landis Award in the eyes of this Association. No one of these sets of relations is independent of the others; each of them exerts its own peculiar influence upon the others and is in turn influenced by them. With the Landis Award relations we are not directly concerned since so far as collective bargaining of workers does take place with this group, it assumes the form established by the unions with other employing groups.

In brief we may outline the development of the Standard B.T.C. and B.C.E.A. agreement as follows: In 1913 a lockout involving a number of the building-trades unions was settled by a committee created for that purpose known as the Joint Conference Committee. Later this Committee was made permanent, its name changed to the Joint Conference Board, and "its greatest achievement was the drafting, in 1915, of a uniform form of agreement for all trades in the industry."³⁰ Within this agreement provision was made for the creation of a Joint Arbitration Board in each trade using the Uniform Form. These boards are the instrumentalities for the making of supplementary agreements covering wage scales and working rules in each

³⁰Montgomery, p. 73.

particular craft, which upon ratification by referendum vote of the membership of the employer and labor organizations of the trade become the framework of the employment relations.

We now turn attention to a detailed examination of the framework established by the most recent agreements embodying the Standard Form.

The Standard Form of Agreement will be found upon analysis to divide itself into two main parts:³¹ the one is a statement of general principles recognized by both sides; the other is concerned with the mechanism for enforcement and renewal of agreements and settlement of disputes. It is difficult to arrange the subject matter of the agreement in terms of a technical contract. Few of the many obligations which the agreement contemplates appear as express promises.

Following a short preamble stating that the purpose of the agreement is to provide stable and economical employment relations, there is a declaration of eight principles substantially the same as those stated by the employing contractors during the great lock-out of 1900. They are:

1. There shall be no limitation upon the amount of work a man may perform during his working day.
2. There shall be no restriction on the use of material, tools or appliances.
3. There shall be no restriction upon the use of any raw manufactured material, except prison made.
4. No person shall have the right to interfere with workmen during working hours.
5. The use of apprentices shall not be prohibited.
6. The foreman shall be the agent of the employer.
7. The workman is at liberty to work for whomever he sees fit but he shall demand and receive the wages agreed upon by the arbitration board in this trade under all circumstances.
8. The employer is at liberty to discharge whomever he sees fit.

Supplementary to these there appears in the same section a recogni-

³¹Some few details, such as the statement regarding recognition of the usual holidays and that limiting the agreement to Cook County, call for no attention here.

tion that "the furnishing at all times during the life of this contract of sufficient skilled workmen, capable of performing the work of the trade," is an obligation assumed by the union.³²

Although these principles are to be regarded as "fundamental" and no article or section in the agreement is to be "construed as being in conflict" with them, as with all "principles" there are deviations from them in practice. Other statements in the agreement, if not directly in conflict, at least modify these fundamentals, so as to change the first impression left by them. Thus a series of so-called "General Conditions" is added near the close of the Standard Form, most of which have the effect of amplifying the eight fundamental principles in one way or another. For example, there is Article VIII, which states:

The duly authorized representatives of either party hereto, if having in their possession proper credentials, shall be permitted to visit jobs during working hours, to interview the contractor or the workmen, but they shall in no way interfere with the progress of the work.

Article XII, introduced by Judge Landis in 1921 and perpetuated in the agreements since that date to make more explicit the meaning of the first and second of the fundamental principles, provides:

In the interest of public economy, and at the discretion of the employer or foreman, all small tasks covered by this agreement may be done by workmen, or laborers of other trades, if mechanics or laborers of this trade are not on the building or job, but same are not to be of longer duration than one-half hour in any one day.

The joint arbitration boards provided for by the agreement occupy a dual position, having both legislative and judicial functions to perform. First they formulate the joint arbitration agreements for each trade, covering wages and working conditions (which must afterward be approved by the membership of the respective organizations), and as a secondary function they possess full power to enforce these agreements.

³² Declaration of Principles, 1929 Agreement.

In no case is a strike or lockout permitted under the agreement unless resort to arbitration has been made. However, workers are not compelled to work with non-union workers, provided "the union of the trade in which such non-union men are working is a member of the Chicago Building Trades Council and has a similar agreement with a recognized association of employers."

Perhaps the most important function of the arbitration boards is the fixing of wage rates to apply in each trade. In the past the Conference Board has limited its own activity to decisions upon jurisdictional questions, although a question of wage adjustment which the Arbitration Board cannot settle with the help of an umpire may be appealed to the Conference Board for a decision. Such are the terms of the Standard Agreement and the mechanism of collective bargaining which covers the major part of the Chicago construction industry.

Of the ten trades that do not use the Standard Form of Agreement of the Joint Conference Board, two, the Bricklayers and Stone Cutters, form agreements with the Associated Builders, and use the so-called uniform agreement of that organization. The essential differences between this agreement and that of the B.C.E.A. are that the Associated Builders' agreement provides for no appeal in the case of disputes beyond the impartial umpire,³³ imposes an absolute prohibition upon the sympathetic strike, and continues to accept the preferential shop as imposed upon the industry by Judge Landis. The Tile Layers' Union, affiliated with the Bricklayers' national organization, is governed by an agreement between the International Union and the Tile and Mantel Contractors' Association of America, which

³³Earlier agreements provided for appeal to the National Board of Jurisdictional Awards, but since the A.F. of L. convention at Los Angeles in 1927, this Board ceased to function. A successor to this body, known as the Board of Trade, was created in September, 1930, with an estimate as to its influence in the Chicago market is not yet justified. B.C.E.A. Bulletin, November, 1927, p.2; March, 1930, p.6; May, 1930, p.4; Chicago Tribune, September 28, 1930.

has provisions very similar to those contained in the Associated Builders' agreement with the Bricklayers, save that it provides for an appeal of disputes to the presidents of the national organizations in the event that the local arbitration board fails to reach agreement. Supplementing this national agreement is one between the local Tile Layers' Union and the Chicago Mantel and Tile Contractors' Association, which merely determines the local scales and minor details as to working conditions, but in no way conflicts with the former.

Of the remaining agreements, those which are most nearly identical with the Standard B.C.E.A. Agreement are those of the Plasterers and the Painters. The first of these contains no recognition of any of the cardinal principles nor does it provide for appeals to the Joint Conference Board, although the joint arbitration machinery of the trade is identical with that set up by the Standard Form. The Painters' agreement is sometimes classified as "standard,"³⁴ but it is difficult to accept this classification. Not only does this agreement fail to mention any of the eight "fundamental principles," but it contains provisions directly contrary to their spirit. An attempt at enforcement of the first of these principles is thwarted by the provision that "daily time sheets to specify in detail the time spent on each room, or at any certain work, are prohibited." The requirement that the work "must be done on the job" might very well be construed as being contrary to the principles that "there shall be no restriction on the use of any raw or manufactured material, except prison

³⁴B.C.E.A. Bulletin, February, 1928, p. 6. This reference is to the agreement which was terminated June 1, 1929. Without any essential modifications it was readopted and extended to April 1, 1932, and the Official Directory contains the notation (see 1929 ed., p. 404) "Standard Form used."

made."³⁵ The absolute closed shop is created by Section IV, and the sympathetic strike is expressly sanctioned by virtue of Section XII, while Section XIII grants the union further liberty in the use of the strike by recognizing the power of the "Painters' District Council to call a strike on any shop for any reason that may appear to Painters' District Council 14 to be just." Moreover, the working rules of the District Council contain provisions which by the most liberal interpretation can only be regarded as in opposition to the second of the "fundamental principles." By virtue of Section VII, "all members are prohibited from using any brush in oil or oil paint which exceeds four and one-half inches in width, or stiple oil paint with stipler exceeding thirty-two square inches. No member is allowed to put on oil paint with a spray-machine or gun or by dipping."

While the agreement does specify that "there shall be a committee of five members elected from each side to be known as the Trade Board to decide all matters of disagreement that may arise," no provision is made for the intervention of an outside arbitrator, and no reference is made to the Joint Conference Board. These are the more important provisions which distinguish the Painters' agreement from the Standard Form.

Although Section III of the agreement, which provides that "if

³⁵Agreement (1929-32), sec. 2, par. 4; sec. 19. An attempt to extend the requirement that "all work must be done on the job" to kitchen equipment had brought a federal indiotment upon the officials of the District Council. About 90 per cent of the national output of factory-made kitchen cabinets comes from establishments located in Indiana. These are usually finished at the factory with the use of a spray gun. In order to induce local contractors to order only unfinished cabinets and have them finished upon installation, the union has threatened strikes upon buildings where finished cabinets are being installed. Recently a federal injunction has been issued restraining the union from calling such strikes on the grounds that they constitute interference with interstate commerce (see Law and Labor, November, 1930, p. 235).

during any time of the life of this agreement, any five building trades receive a higher scale, the painters shall receive the high scale, same to go into effect upon sixty days' notice from the Painters' District Council 14," is not directly contrary to the Standard Agreement adopted by the central organizations, such procedure is certainly not sanctioned. Such clauses providing for automatic increases have indeed been cause for some agitation looking toward broadening the powers of the Joint Conference Board to include supervision over the fixing of wage rates in the individual trades.³⁶ In accordance with the automatic increase clause of the Painters' agreements, the District Council notified the contractors that after March 3, 1930, the rate of \$14.00 per day (\$1.75) would be in effect. In spite of the fact that this had been provided for by contract, coming at a time when there was a large amount of unemployment, the situation was not accepted by all the employers without protest. Some of them, indeed, refused to grant the increase, and strikes were called against numerous contractors.³⁷ In view of the provisions set forth above there is little in the

³⁶The B.C.E.A. Bulletin takes occasion to score this practice in the issue of November, 1929, p. 4, by saying, "A serious menace to the stability of the local situation in the construction industry in Chicago has been asserting itself during the past few months. Certain trade unions, and there are several of them have made agreements with their employers stipulating that the wage rate of their particular trade shall during the life of the agreement be governed by the rate of wages which three or five other trades may get in the future in their negotiations with their employers..... This is what one would call a 'rotten' condition, and not only should but must be eliminated. It is another good reason for the establishing of a Wage Board to fix wages and to relieve the too-willing employer from the odium of having other employers more courageous settle the wage rate for his trade."

³⁷See statement by Arthur Wallace in Painter and Decorator, April, 1930, p. 56. On June 25, 1930, when the writer last visited the office of the District Council 14, some of these strikes were still in progress. In 1931 the union still nominally retained the scale of \$14 per day, although it was admitted that extensive undercutting was taking place (see infra, p.60 ¶.67).

Painters' agreement that can be said to be in harmony with the Standard Form of Agreement.

The other variations from the Standard Form are to be found in the agreements of the Boiler Makers 1, Machinists 136, Plumbers 150, Gas Fitters 250, Lathers, Elevator Constructors, and Sign Hangers. The Boiler Makers and Sign Hangers, while classified here as building-construction unions and affiliated with the Building Trades Council, deal with firms not extensively represented in either of the central organizations of employers. This fact accounts for their failure to adopt the Standard Form of B.C.E.A. or the Uniform Form of the Associated Builders.³⁸ Neither of these agreements is elaborate. Both consist merely of statements of wage rates and working rules; the closed shop is nowhere explicitly called for in either of them, but it is in effect in practice. The Sign Hangers provide that the employer may hire non-union workers in the event that the union is unable to supply men, while the working rules of the Boiler Makers state that helpers may be permitted to do mechanics' work until mechanics are available, although no express agreement exists. The construction local of the Machinists, 126, is not affiliated with the local Building Trades Council, having withdrawn in 1913 in protest against the creation of the Joint Conference Board. The 1930 working rules established by the Machinists District Council covered the terms of employment for the period between May 1, 1930, and May 1, 1932, of fourteen local lodges affiliated with the Council. Only one of these, Local 126, has jurisdiction over machinists working in the building-construction industry. The working rules of the District Council provide that all labor shall be obtained through the Council office, and that conciliation between representatives

³⁸Interviews with an official of the Boiler Makers 1, January 27, 1939, and an official of the Sign Hangers, June 30, 1930.

of the union and the employers shall precede the calling of any strike. Section 8, which is the only part of the agreement directly concerning construction machinists, establishes a wage of \$1.50 per hour for all "outside" work, asserts that the Association of Machinists has jurisdiction over "alteration and repairs, dismantling, erecting, and installing all machinery," and states that no helpers shall be used on construction work.³⁹

The Plumbers and Gas Fitters co-operate in the making of their agreement, with the result that the terms for both of these unions are the same. Although the Plumbers at one time used the Standard Form of Agreement, they were not following this practice in 1930. Some recognition of the eight principles appears in the statement that "no restrictions shall be placed on the amount of work a man shall do, and no objection shall be raised on any material except prison-made," but no other part of the document resembles the Standard Form.⁴⁰

The Elevator Constructors work under what is called the Standard Agreement formulated by the International Union for the use of its locals. This is used by Local 2 in making its agreements with the Elevator Manufacturers' Association. This Association is not affiliated with the B.C.E.A. or the Associated Builders. The agreement between the Association and the Union provides for the prohibition of strikes or lockouts pending the arbitration of disputes, for the creation of local arbitration boards of two representatives chosen by each of the parties at the time a dispute arises, and for appeal of disputes to a National Arbitration Committee consisting of representatives of the International Union and of the Elevator Manufacturers' Association. The local union agrees thereby that it

³⁹Working Rules, operative May 1, 1930.

⁴⁰See Official Directory (1929), p. 150.

will issue permits to such men as the employers may hire in the event that the union is unable to furnish a sufficient number from its membership. The agreement contains a further promise that no strike will be called without authorization from the Building Trades Council as well as from the Executive Board of the International Union. While article 10 of the agreement provides that "there shall be no restriction placed on the character of the work which a helper may perform under the direction of a mechanic," the total number of helpers that may be used on any one job is limited to the number of mechanics used on that same job, except that the employer may use as many helpers as suits his convenience when engaged in foundation work, wrecking old plants, or hoisting material.⁴¹ These provisions are as far as the agreement goes toward expressing doctrines akin to the "fundamental principles" of the Standard B.C.E.A.-B.T.C. pact. The wage rates are also fixed by incorporation in the national agreement principles adopted at a conference between representatives of the International Union and of the elevator manufacturers held at Atlantic City in July, 1921.

By the decision of this conference, which has governed the fixing of local wage rates since that date, it was agreed that "the average wage rate of the five highest of the following seven principal building trades, bricklayers, plasterers, carpenters, electricians, sheetmetal workers, plumbers and steamfitters, and iron workers, be accepted as the wage rate for the elevator constructor mechanics; the wage rate for helpers to be 70 per cent of the mechanic's rate." The rate, once fixed, is to be effective for at least six months, and thirty days' written notice is required if either party wishes to change the rate. But for these last-mentioned conditions, it is obvious that the effect of this section

⁴¹Standard Agreement of International Union of Elevator Constructors, arts. 8 and 9.

is to arrange an automatic movement of the wage rate in accordance with the rates established by the other trades named. It should also be noticed that the provision tends to eliminate differentials between the trades, and may be one of the reasons for this union's objection to the Landis Award, since one of the basic principles embodied in this Award was the establishment of differentials based upon the amount of hazard, degree of skill, regularity of employment, and the extent of wasteful practices for each particular trade.⁴²

The agreement of the Lathers' Union 74, effective up to May 31, 1932, possessed some features that distinguished it from the Standard Form. The document could hardly be said to arrange for arbitration, although it did create a so-called "arbitration committee" consisting of three members from the Employing Plasterers' Association and three from the Union to be elected annually. Appeal in the event of failure to agree was to be made to the presidents of the Contracting Plasterers' International Association and the International Union, but no further provision was made for recourse to entirely disinterested parties. The strike in sympathy with other building-construction unions was recognized; and, moreover, the union expressly reserved the privilege of "withdrawing their men from any member of the Employing Plasterers' Association of Chicago who is employing non-union lathers in any other locality."⁴³ And although all of the eight "fundamental principles" of the Standard Agreement were expressly recognized as superior to any working rule that might be in conflict with them, one cannot help wondering if in practice the rule that "members of Local 74 will not put on over

⁴²It is worth noticing that this agreement was cast in July, 1921, while the Landis Award was rendered in September of that year (see Montgomery, pp. 246, 261-62).

⁴³Joint Arbitration Agreement (E.P.A. of Chicago & Local 74, 1929-32), Art. XVII.

⁴⁴Working Rules, sec. 39.

1,500 laths for a day's work of eight hours' duration"⁴⁴ had no meaning. Moreover, although the principle that "the foreman shall be the agent of the employer" was adopted, another section of the agreement stated that the foreman "must be a competent mechanic and a member of Local 74." A moment's reflection will indicate that union membership might influence the foreman's actions even though he were declared to be the agent of the employer. Just how much control the union may exercise over the foreman has been a moot question during the last few years. The issue has apparently been settled temporarily at least, though not without a struggle. A certain foreman, apparently not amenable to union discipline, was suspended from the union and hence discharged early in November, 1929. The plastering contractors, charging that the union had denied reinstatement of the foreman, brought the case to the attention of the Employing Plasterers' Association. Several of the other members of the Association had already experienced attempts on the part of the union to name the foremen on jobs. This was held to be in violation of the union agreement, and the issue was felt to be important enough for the Association to declare a general lookout of all the members of the union on November 4. Two days later the lookout order was rescinded upon the promise of the union officials not to interfere in the selection of foremen.⁴⁵

III. Operation of the Standard Agreement

If one makes allowance for the numerous adjustments which business relations demand, the employers' representatives seem to look upon the conditions established by the Standard Agreement as satisfactory. Writing at a time when there was perhaps as bitter resent-

⁴⁴Working Rules, sec. 39.

⁴⁵American Contractor, November 9, 1929; B.C.E.A. Bulletin, December, 1929, p. 10.

ment against the union as had existed in the recent past, the editor of the B.C.E.A. Bulletin declared, "Agreements have been made with all the unions for a number of years, and with but few exceptions they have been considered as sacred obligations of both parties to them."⁴⁶ But while it has been asserted that "there is no city in the country more free from labor trouble and jurisdictional disputes than Chicago,"⁴⁷ disputes and violations of agreements have occurred even in cases where the obligations created by the Standard Form have been accepted.

During the eighteen-month period between January, 1929, and July, 1930, twelve cases of major importance arrived before the Joint Conference Board.⁴⁸ Eight of these cases involved jurisdictional disputes, and in at least four of this group it appears that the decisions made by the Conference Board have been respected.⁴⁹ In three of the remaining cases, no information as to the decision is available, while in the last case, although a decision had previously been rendered which clearly disposed of it, neither of the contending unions was willing to recognize it.⁵⁰ Both the Iron Workers and the Sheet Metal Workers claimed the right to install metal window frames on the Merchandise Mart. The Joint Conference Board had issued a decision awarding the work to the Sheet Metal Workers in accordance with a decision of the National Board of Jurisdictional Awards in 1926. Since neither of the contending unions would relinquish its claim to the work, the issue was avoided by the contractor by installing wooden frames and awarding the work to the

⁴⁶B.C.E.A. Bulletin, June, 1929, p. 1.

⁴⁷Ibid., May, 1928, p. 2.

⁴⁸These are only the more important reported cases handled by the Board. A number of cases of minor significance were disposed of, and some important ones may have been handled to which no publicity was given.

⁴⁹B.C.E.A. Bulletin, May, 1929, p. 4; June, 1929, p. 2; also Monthly Labor Review, April, 1920, p. 143.

⁵⁰B.C.E.A. Bulletin, June, 1929, p. 2

Carpenters.⁵¹ But aside from these cases, the claim that the Joint Conference Board has been able to deal adequately with local jurisdictional disputes seems to have been justified during the period under review.

The other four cases handled during this period are the more serious ones from the standpoint of interfering with the economic efficiency of the industry, and in view of the widespread and frequently justified belief that the jurisdictional dispute is the most serious source of waste in the building industry, it is worth special notice that none of these involves a jurisdictional question. One of these arose out of the fact that the Hegeman Harris Company, general contractors for the Board of Trade Building and a member of the B.C. E. A., had sublet the contract for the installation of boilers to a non-union concern having factories in Waukegan. Since the Boiler Makers were not working under the Standard Agreement, a simple direct strike by them could not have been construed as illegal. Other organizations, however, took up the cause. The Machinery Movers (working under the Standard Agreement) first refused to haul the boilers, and finally practically all the building trades ceased work on the building. It so happened that several of the members of the Joint Conference Board were attending a meeting in Florida to discuss the organization of a new national board for the settlement of jurisdictional disputes. Telegraphic communication with these members of the Board finally resulted in securing a release of the general contractor from his obligations to the boiler manufacturers and the formation of a new contract with a concern satisfactory to the unions. The B.C.E.A. reported with some pride that the strike had been settled and was the shortest one on record, having lasted only

⁵¹Chicago Tribune, January 4, 1930.

one day.⁵² It should be noted, however, that it was in direct violation of the "no strike" as well as the "restriction of materials" clauses of the Standard Agreement.

The remaining three cases involved questions of wage adjustments. The first two occurring in June, 1929, might properly be classed as a single dispute, although two local unions affiliated with the International Bridge and Structural Iron Workers were involved. Both of these organizations, Locals 1 and 63, were working under the Standard Form of Agreement, that of the Structural Iron Workers expiring in 1932 and that of the Architectural Iron Workers expiring in 1933. The supplementary Joint Arbitration Agreements, however, which established the wage scales expired on June 1, 1929. Paragraph 15 of the Standard Form provides that "should the Joint Arbitration Board fail to agree upon the wages to be paid in this trade 120 days prior to the expiration of the wage agreement during the term of this agreement, the matter shall be referred to the wage board appointed by the Joint Conference Board and said wage board shall within 30 days after such reference set the wages of this trade, and the wages so determined shall be accepted by the parties hereto as the wages for this trade for not less than one year."

⁵²The fact that the boilers were manufactured within Illinois is important, since the question of interference with interstate commerce could not therefore be raised (B.C.E.A. Bulletin, February, 1930, p. 11; Federation News, February 1, 1930, p. 9; Chicago Tribune, January 24, 1930).

In this case it does not appear that the employers were guilty of following a practice which the letter of the agreement did not permit. The Boiler Makers, who, it will be remembered, were not governed by the Standard Agreement, served notice in accordance with rules adopted at their international convention that after work in construction had been completed they would no longer instal boilers manufactured in non-union shops. The contractors on the Board of Trade Building disregarded this notice, and when the union refused to instal boilers manufactured in open shops, they proceeded to secure non-union men. Up to this point both parties were within their rights. It was when other unions, who had recognized the "no restriction of materials" principle, took up the cause that a breach of agreement occurred. Babcock Wilcox Company v. Boilermakers Local 1 et al, Case 9360, in Equity, Records of Clerk, U.S. District Court, Northern District of Illinois.

Apparently the full amount of notice provided for by this paragraph was not given by Local 1, but it is also clear that the employers were warned at least two months before the termination of the wage agreement that an increase in the rate from \$1.50 per hour to \$1.62½ would be asked for.⁵³ The union officials held out for this high rate, claiming they had no power to compromise. The employers contended that they had no warning that a strike vote had already been taken on May 27, and that when the men walked out on Saturday, June 1, it was without notice and in violation of the agreement.⁵⁴ On June 3, the following Monday, the Joint Arbitration Board of the trade convened, Mr. Joshua d'Esposito having been called in as umpire. It was then that the union officials revealed that the strike vote had divested them of power to make a compromise, and the umpire supported the contention of the employers' representatives that the strike was in violation of the existing arbitration agreement. By the time of this meeting, however, the Iron League representatives became aware of the fact that an association of independent contractors⁵⁵ had already conceded the union demands, and hence made the suggestion of compromise definite by proposing an increase to \$1.56½ to be effective between June and October 1, and \$1.62½ per hour thereafter to June 1, 1934. The officials agreed to submit this proposal to the membership at a meeting held that evening. The unfavorable vote was apparently expected, for at the same meeting a request that the officials of the union appear before the Joint Conference Board the following day was read. Accordingly, representatives of Local 1 appeared and agreed to submit the matter to the Conference Board, and at six o'clock on Tuesday the Board ad-

⁵³B.C.E.A. Bulletin, April, 1929, p. 2.

⁵⁴Ibid., June, 1929, p. 6.

⁵⁵The Chicago Steel Erectors' Association, which was independent in the sense that it was not affiliated with the B.C.E.A.

journed, believing that an agreement was in sight. That same evening, however, the Bulletin claims, the Iron Workers' representatives "deliberately met with the other contractors' association, who placed before them an alluring proposition too rich and too full of immediate aggrandisement to refuse."⁵⁶

On the following day (Wednesday) when the Board reconvened the higgling continued throughout the day, the employers proposing finally to improve their earlier compromise proposal by making the \$1.62½ hourly rate effective on July 1, instead of October 1, and although it appeared that this offer attracted some support, it had not been approved when the representatives of the Building Trades Council proposed that the Board adjourn until the next morning. The organ of the B.C.E.A. describes graphically the procedure at this next meeting: "At this meeting the employers realized that it would be futile to continue conference on the subject; they gracefully permitted the other side of the Board to offer and adopt a motion that the wages of the Bridge and Structural Iron Workers be set at \$1.62½ per hour from date until midnight May 31, 1930."⁵⁷

The Architectural Iron Workers, Local 63, was in a less strategic bargaining position, since the Iron League was able to claim 90 per cent of the employers in this branch of the trade. On May 23 the League was favored by an injunction restraining the Architectural Local from going on strike in sympathy with the Structural Workers. Although some jobs had already been struck by this organization, the officials ordered the men to return to work as soon as they learned of the injunction. On June 1, however, the men left all jobs then in progress, and whether this abandonment of work was to be regarded as an authorized strike or not, the officials at least

⁵⁶Bulletin, June, 1929, p. 8.

⁵⁷Op. cit.; see also Monthly Labor Review, August, 1929, p.125.

took the position that the injunction contained no mention of a wage dispute, and since this new abandonment of work was not in sympathy with the structural men but an independent move for increased wages, it was not contrary to the judge's order. It was understood, however, that the Architectural men would accept whatever terms were approved by Local 1. They finally agreed to a compromise of \$1.60 per hour to October 1, and \$1.62 $\frac{1}{2}$ thereafter until June 1, 1930. Two factors seem to be of primary importance⁵⁸ in accounting for the difference in the settlement: first, there was the fact already mentioned that the majority of employers or the important employers were all members of the Iron League and could bargain as a unit, and; second, the dispute occurred at a time when the architectural work on many of the larger buildings under construction had been completed or nearly so. Construction on many new large buildings had just begun, however, and the result was that the B.C.E.A. Bulletin was able to report, "The structural iron workers appear to be the only trade in Chicago that is working its full quota of members."⁵⁹ Thus it was that Local 1 of the Iron Workers was able to obtain an increase in its wage scale in 1929. A year later, although the recognized procedure called for by the agreement was followed, an attempt to increase the scale again was less successful. For a time the officials of the local refused to sign the wage agreement made by the Joint Arbitration Board of the trade providing for an extension of the current scale to June 1, 1931. Upon advice from an international representative, however, the demand for an increase was withdrawn and the agreement accepted. In marked contrast to the situation of the previous year, the union was forced to admit the existence of a large amount of unemployment.

⁵⁸Aside from the personal factor, as officials of the Architectural Iron Workers have always prided themselves on the maintenance of "friendly relations."

⁵⁹July, 1929, p. 2.

The case of the negotiations of the Iron Workers, while perhaps not entirely typical, has been given in some detail because it indicates that even where the unions have accepted the Standard Agreement, peace is not necessarily continuous. In most of the trades, however, the arbitration boards have been able to determine upon rates and working conditions that have at least been mutually acceptable if not satisfactory. The Joint Conference Board has been able to reduce in number, if not completely eliminate, local jurisdictional disputes, although the Plumbers and Steam Fitters seem to harbor their perennial disagreement.⁶⁰

In order that the establishment of the 1929-30 wage scales may not be misinterpreted as indicating a greater strength than the unions have actually possessed, a somewhat detailed consideration of the rates and some explanation of how they came to be seem called for.

Among the major facts to be considered in an explanation for the movement of building-trades wages is the growth of the population of Chicago. From a city of 2,701,021 people in 1920, the city has, each year of the decade following, added to its population, until in 1930 it was possible to report a total of 3,376,438 residents within the city limits, or an increase of about 25 per cent for the decade.⁶¹ These figures leave out of account the rapid increase in the population of the immediately surrounding suburbs, which has added very materially to the demand for the services of local building-trades craftsmen. A more direct measurement of changes in the

⁶⁰The importance of jurisdictional dispute in the lives of these two unions is well illustrated in a recent History of the Chicago Steamfitters' Protective Associations, by John Mangan, late president of the Association. This book is replete with evidence of the controversy. The international officials have announced that a new settlement has been reached regarding the contention between these two local unions. There has not been sufficient experience since this announcement was made to warrant a statement as to the effectiveness of the settlement (Chicago Tribune, September 28, 1930).

⁶¹Population figures from 1920 and 1930 Census.

demand for building-construction labor is afforded by the tabulated index of the volume of building construction in Chicago between 1921 and 1929.⁶²

1914	100	1925	211.14
1921	85	1926	214.96
1922	144.5	1927	206.97
1923	204.08	1928	185.04
1924	178.92	1929	116.36

The high volume of building construction reached in 1923 was sustained, with some slight recessions, for a period of six years. Not until 1929 did any marked decline in Chicago building activity take place. This six-year period marked, therefore, a rapid expansion in the demand for the services of construction mechanics which could hardly have been offset by an increase in the number of workers locally available. The natural outcome was a sharp increase in wage rates, a part of which, at least, would have been brought about irrespective of the existence of collective bargaining. It is wholly possible that the presence of long-period collective agreements may have retarded somewhat the otherwise normal course of wage rates, although no inductive basis can be offered to support such a contention. At any rate, the union scales were increased from the horizontal level of \$1.25 per hour which existed for most of the skilled trades in 1921⁶³ to \$1.37½ for seven of the groups of mechanics and \$1.50 for nine other skilled organizations in 1926. From time to time since that date increases were made until at the close of 1929, of the nine groups having the \$1.50 rate in 1926, one had reached

⁶²The index of building construction is based on the reported value of building permits by the Bureau of Labor Statistics. See *Monthly Labor Review*, May, 1930, p. 140. The figures have been deflated, using the Bureau's index for the cost of residential buildings. See *ibid.*, June, 1930, p. 167. The index is obviously subject to certain shortcomings, but it is believed to be accurate enough for present purposes.

⁶³It was one of the main purposes of the Landis Award to do away with this horizontal scale, but it was restored in part at least by the agreements of 1923 (see Montgomery, pp. 295 ff.).

the peak of \$1.75, five had forced the scale to \$1.70, and the remaining three had to content themselves with \$1.62½. Of the seven groups receiving \$1.37½ in 1926, six had established a scale of \$1.62½ by the end of 1929. In 1926 the scale for laborers and helpers in the various trades ranged from \$0.87½ to \$1.05 per hour, while by 1929 the rates for helpers ranged from \$1.12½ to \$1.27, and the rate for common labor had been fixed at \$0.97½ per hour. It is such a movement of union scales as is frequently referred to when construction costs of 1929-30 are compared to those of earlier years.

A mere comparison of union scales, however, proves to be very deceiving in this case. As a matter of fact, for some of the trades the high scales established in the 1929 agreements represent actual decreases over the wages paid in earlier years. The highest scale established by the 1929 agreements was \$1.75 for the Slate and Tile Roofers. The organization had, in fact, established this scale in 1927, but in that year it reported that 47 per cent of its membership were receiving \$1.87½ per hour. The six trades next in line agreed upon a scale of \$1.70 per hour in 1929. Of the trades in this group, a substantial percentage of the members of at least three of them received actual rates of pay at some time during 1926-27 that were in excess of the high scales of 1929-30. The Bricklayers in 1926 reported that 77 per cent of their membership received premium rates running up to \$1.80 per hour; 50 per cent of the union Plasterers were receiving rates ranging from \$1.62½ per hour to \$1.87½ per hour in the same year when the scale for this trade was \$1.50; and in 1927 the Glaziers reported 59 per cent of the union membership as getting paid in excess of scale, the actual rates varying from \$1.67 to \$2.00 per hour. The remaining three trades in this group (steam fitters, lathers, and composition roofers) reported that premium wage rates were being paid in 1926, al-

though no reported actual rate had then reached the 1930 scale.

A similar condition will be seen to have existed for a number of the trades with the \$1.62½ scale in 1929. The accompanying Table IX indicates in some measure the extent to which this condition prevailed in other trades. On the basis of information presented in this table it is estimated that not less than 45 per cent of the organized workers in Chicago building trades were receiving pay in excess of scale during 1923. By May, 1930, premium wages had become so exceptional that only three of the smaller organizations reported any part of their membership working for more than the union scale.⁶⁴ Some actual increases in rates were provided for by the scales established in 1929, but for the more highly paid trades these scales did not represent any, or at best only very slight, increases in actual rates of pay. Although in many cases not effective until later in the year, most of these scales were agreed upon during the first part of the year when the volume of building was still quite large and when the outlook was more hopeful than it was in the fall. The answer to those who may be perplexed by the assumed increases in union wage scales in the face of a large amount of unemployment, is that no very important increases have taken place under these conditions.

Other factors are also present which seem to indicate that such slight increases in scales as did take place during 1929 did not indicate corresponding increases in construction costs. For one thing there is considerable evidence pointing to an increase in the efficiency of labor. The Bureau of Labor Statistics index of cost of new dwellings had risen 16 per cent (for the country as a whole) between 1921 and 1929, while the same organization calculated the

⁶⁴These unions were the Marble Setters, Composition Roofers, and Slate Roofers, with a combined membership of 1,025. Those reported as receiving premium wages constituted only 16 per cent of this total. See U.S. Bureau of Labor Statistics, Bull. 540, pp.88-142

TABLE IX*
The Extent of Premium Wages in Chicago Building Trades

	1923		1926	
	Hourly Scale	Actual Rate	Hourly Scale	Actual Rate
Bricklayers	\$1.10	All got more.	Average \$1.50	\$1.50 77% got up to \$1.80
Fireproofers .....	....	....	....	1.52 95% got up to 1.75
Carpenters .....	....	....	....	1.57 3% got up to 1.60
Steam Engineers	1.50	Average \$1.55	....	....
Painters	1.25	25% got \$1.50	....	....
Glaziers	0.72 1/2	Over 50% got \$0.75	....	....
Hod Carriers & Laborers	1.25	Over 75% got more	1.80	All got \$1.62 1/2
Lathers	0.70	25% got more. \$0.78 1/2	1.35	50% got up to \$1.75
Marble Setters .....	....	....	....	....
Marble Setters Helpers .....	....	....	1.80	50% got more. \$1.62 1/2
Plasterers .....	....	....	....	to \$1.87 1/2
Plasterer Laborers	0.78	Over 75% got more.	\$0.87 1/2	....
Cement Finishers	0.72 1/2	Average \$0.77 1/2	....	....
Composition Floor Finishers .....	....	....	1.37 1/2	30% got up to \$1.50
Humbers and Gas Fitters	1.10	50% got more.	Average \$1.37 1/2	1.80 1 1/4% got more
Roofers, Slate .....	....	....	....	....
Composition .....	....	....	....	....
Foreman .....	....	....	1.25	11 1/2% got up to \$1.50
Sheet Metal Workers	1.10	50% got more.	Average \$1.25	1.35 6 7/8% got up to \$1.80
Sprinkler Fitters	0.92 1/2	Over 25% got \$1.05	....	....
Stone Derricks .....	....	....	0.92 1/2	15% got up to \$1.62 1/2
Stone Masons	1.10	All got more. \$1.35 to \$1.50	1.50	68% got more. Up to \$2.00
Steam Fitters	0.95	75% got \$1.25	1.50	15% got up to \$1.82 1/2
Total per cent of all union workers reported getting premium wage		45%		15%

*Compiled from data in U.S. Bureau of Labor Statistics, Bulls. 354, 431, and 457.

TABLE IX--Cont.

	1927		1929	
	Hourly Scale	Actual Rate	Hourly Rate	
Bricklayers .....	.....	.....	\$1.70	
Fireproofers .....	.....	.....	1.70	
Carpenters	\$1.50	10% got more	1.56	
Steam Engineers .....	.....	.....	1.62	
Painters .....	.....	.....	1.62	
Glaziers	\$1.62½	59% got \$1.67 to \$2.00	1.62	
Rod Carriers & Laborers .....	.....	.....	0.97	
Lathers .....	.....	.....	1.70	
Marble Setters .....	.....	.....	1.62	
Marble Setters Helpers .....	.....	.....	1.12	
Plasterers .....	.....	.....	1.70	
Plasterer Laborers .....	.....	.....	1.03	
Cement Finishers .....	.....	.....	1.62	
Composition Floor Finishers .....	.....	.....	1.62	
Plumbers and Gas Fitters .....	.....	.....	1.62	
Roofers, Slate	1.75	47% got \$1.87½	1.75	
Composition .....	.....	.....	1.70	
Foreman .....	.....	.....	.....	
Sheet Metal Workers	1.50	25% got up to \$1.75	1.56	
Sprinkler Fitters .....	.....	.....	1.62	
Stone Derricks	1.15	30% got \$1.25	1.25	
Stone Masons .....	.....	.....	1.70	
Steam Fitters .....	.....	.....	1.70	
Total per cent of all union workers reported getting premium wage		5%		

increase in building-trades wage scales at 30 per cent during the same period. With the index of building-materials costs showing less than 1 per cent decline for the same period, this suggests that some improvement in the efficiency of labor may have accompanied the tendency toward higher wage rates.⁶⁵ In part this failure of the cost of construction index to keep up with the increases in union wage scales is due to shifting of the proportions between skilled labor and helpers or common labor. Some such shifting has taken place recently in Chicago, though it is impossible to measure its extent.⁶⁶

Still another correction must be made regarding the assumption of a direct relation between union scales and building-construction costs. Allowance should be made for the extent to which there has been undercutting of the established scales. This procedure is of course contrary to the working rules of the unions, but it appears to have been so prevalent during 1929 and 1930 that union officials must have condoned the practice. An active member of one of the largest locals of carpenters told the writer in the spring of 1930 that a large majority of those members who were at work were then receiving less than the scale. "Men are not going to starve if jobs are to be had," he remarked. The business agent of the local union of which this man was a member admitted that wages were "too high"

⁶⁵See Monthly Labor Review, June, 1930, pp. 160, 167; also American Contractor, April 13, 1929, p. 16.

Mr. H. H. Fox, vice-president of the Turner Construction Co. of New York, reports that on eight large building projects carried on in four separate cities (not Chicago) five basic trades working on reinforced concrete showed an average increase in productive efficiency of 40 per cent between 1924 and 1929. See American Contractor, December 7, 1929, p. 18. No similar data are available to indicate changes in Chicago construction costs, but it seems fairly clear that the direction of the change has been the same.

⁶⁶During the first half of 1930, when unemployment was especially severe among the Chicago construction workers, several of the union officials admitted to the writer that the unskilled and lower-paid groups were suffering somewhat less severely than the mechanics.

and said that he was in favor of lowering them, but that the employers and the bankers who had invested in buildings at high prices insisted upon the maintenance of the current rates. A representative of an employer made an extensive statement to the writer regarding his experience in the hiring of union labor during 1929. Extracts from this statement are so much in point that rather lengthy sections are worth quoting. He states:

As a rule painters work only on the average of six months of the year. The balance of the time they spend looking for another job. I have made this statement on the basis of the answers that I have received from the men I have questioned. They all agreed that they would gladly take considerably less money for a day's work if they could be assured of steady work..... In fact, last winter (1929-30) I had several men working for \$7 a day when the scale was \$13, and they were mighty glad to get work of any kind..... I never found it necessary to pay double time for overtime, but I think that the main reason for this was that we had very little work that it was essential to complete in a short time.....

The painters as a rule were not all reluctant to infringe upon one of the rules of the local. They were very careful not to have the business agent know about it; for the thought of a \$200 fine sometimes dampened their ardor. When they had a car, I have never had one refuse to haul material for me if I were caught in a situation where I needed help, but they were very careful to remind me that if they were caught in the act the alibi was to be that they were in business for themselves.....

It is rumored among the contractors at present (May, 1930) that many of the large concerns are not paying their men union wages. The manager of the Opera House told a painter sent to him by Mr. Insull's secretary that he did not see how the contractor could possibly do the work for the bid he had submitted. I have first-hand information of two fairly large painting contractors who took all of their old men and informed them that they had jobs they would bid on at low figures but that if they had to pay the scale there was no use considering the work at all. It was coming on winter time, and the entire force of both concerns agreed to work for wages much below the scale.

This same employer remarks regarding his experience with the carpenters:

As far as the Carpenters' Union is concerned I have always felt more or less that they were not very strong. I never saw one of their business agents and I never heard them talk as though the union was very strong. When work was hard to find they never hesitated about taking less than the scale and seemed glad to get anything.⁶⁷

⁶⁷Quotations from a detailed written statement to the present writer by a building manager associated with a Chicago real estate firm. (note continued on next page)

While it should be noted that since he was a building manager, this employer's experience was largely with men doing repair work, his statements do represent that a definite tendency at undercutting of the wage rate has existed.

Thus it appears that there are three factors which make it very doubtful whether the minor increases in wage scales that were made between 1928 and 1930 unfavorably influenced labor costs. The first of these is the fact of the payment of premium wages during the period between 1923 and 1927, the second the possible improvement in the efficiency of labor, and the last the rather widespread undercutting of the 1929-30 union scales. Such increases in scales as were made early in 1929 may be accounted for by the momentum of the building boom of 1923-28 and the optimistic hopes which contractors placed upon the coming World's Fair. The principal reason for the renewal of the Standard Agreement on a five-year basis was to stabilize labor conditions and wage rates through the expected building expansion in preparation for 1933. Subsequent readjustments indicate the failure to realize these expectations.⁶⁸

The Painters refused a demand to reduce the scale in May, 1931, but it was publicly announced by the Federation News that "both union and contractors agree that the majority of union painters are receiving less than the scale called for by the contract which runs until 1933" (May 16, 1931, p. 12).

A strike of the Carpenters against a wage cut to 75 cents (scale, \$1.62 $\frac{1}{2}$) occurred in February, 1931. The terms of the settlement, "wage cut temporarily accepted," constitute further evidence regarding the undercutting of union scales. See Monthly Labor Review, April, 1931, p. 132.

68B.C.E.A. Bulletin, February, 1929, p. 4.

Although for many of the trades, wage agreements were not to terminate until 1933 or 1934 (see *supra*, p. 34), no less than fourteen of the most important crafts reported acceptance of wage reductions ranging from 12 to 20 per cent in March, 1932. Both the Carpenters and Bricklayers had secured the five-day week in 1931 (Federation News, January 17, 1931, p. 14, and September 5, 1931, p. 1), but for many of the trades these scale reductions were accompanied by the introduction of the forty-hour week. For the Carpenters, whose 1929 scale agreement terminated May, 1931, the 12.5 per cent reduction accepted in 1932 was in addition to one of 14 per cent effected in the preceding year. To some extent, at least, these reductions represent only taking formal account of practices already (note continued on next page)

IV. Limiting and Supporting Forces

What, then, may we say of the major forces that have brought about and maintained collective bargaining in the Chicago construction industry?⁶⁹ Although there is a very close relation between the forces which promote collective bargaining and those which tend to permit high wage rates, the position here taken is that the two are distinct and should be treated as such. The principal forces that have served to bring about increases in wage rates of Chicago building-trades workers are to be found in the fact of the rapid growth of the city's population combined with the localized character of the industry. Translated into Marshallian concepts, this means that for a given market area there have been absolute increases in the demand for the services of building-construction workers, while the nature of the industry is such that this increased demand cannot be readily offset by an increase in the supply of specialized workers. These two conditions therefore might very well bring about a continuous increase in the wages of building-construction mechanics, so that if organization does take place, the progressive improvements in wage rates may be attributed to the fact of organization. It is probable that in this sense the expansion of demand in a localized market is an important factor in the perpetuation of collective bargaining once it has been established. Beyond this lies the possibility of shifting costs (when increasing wages mean higher costs) on to the public somewhat more easily than if buildings were themselves transportable and subject to wider com-

tolerated unofficially. For the petition of the contractors' associations requesting the reduction, see Federation News, May 30, 1931, p. 6. For specific details as to the scale changes see ibid., February 20, 1932, p. 1; Monthly Labor Review, April, 1932, pp. 915-16; May, 1932, pp. 1144-45.

⁶⁹Montgomery in his excellent Introduction has listed seven characteristics of the construction industry which have influenced collective bargaining. The present discussion, while accepting all of these seven points, places the emphasis somewhat differently.

petition. Once organized, the unions have been able to maintain a firmer control over the supply of labor than would have been possible in a wider market, and employers have perhaps been freer in granting concessions because they have felt secure that the market would not slip away from them as prices were raised.

Added to these factors is the requirement of immediate, continuous operations, once a building project is begun. This requirement is imposed on the contractor because of the time and penalty clauses that frequently appear in construction contracts, as well as by the increase in carrying charges⁷⁰ when operations are prolonged. A contractor faced with delay might well prefer to recognize union demands rather than endure the higher financing costs, meet a claim for the breach of agreement, or suffer injury to his reputation of getting work done on time.

While all of these have been important aids to collective bargaining, it is here submitted that they had been such principally because they have made possible somewhat higher rates of pay than might otherwise exist. But the essence of collective bargaining, in the writer's estimation, does not lie in the ability of certain groups to command high rates of pay. This is looked for as an ultimate end. The first purpose of collective bargaining, however, is the establishment of standards, uniform for an entire group.⁷¹ The fundamental question, therefore, seems to be: What conditions make the establishment of such standards either acceptable or desirable to the industry? It is submitted that the answer to this question

⁷⁰Mr. L. J. Sheridan, vice-president of S. W. Straus Co., has recorded these to amount to 7.5 per cent of the total cost of a completed building. But since the cost of land is ordinarily not borne by the contractor, financing charges would represent a somewhat larger proportion of his total costs. See American Contractor, February 4, 1928, p. 24.

⁷¹See Sidney and Beatrice Webb, Industrial Democracy (Longmans, Green & Co., 1902), Part II, chap. 11.

is to be found in the nature of contractors' costs. First it should be noticed that the business of contracting is highly competitive, owing in large part to the fact that the initial investment required is relatively small compared with other industries. A statement by a former representative of an employing organization is illustrative: "Here in Chicago we were unable to make a profit; we were in a deplorable condition due to the fact that anybody who had a wheelbarrow, a bundle of lath and a bag of plaster could become a plastering contractor."⁷²

It is significant that the bulletins of the organized employers contain fully as much discussion regarding competition among the contractors as concerning employment conditions. The following statement from the B.C.E.A. Bulletin (March, 1928) is typical:

Plenty of business, but no profit, that is the complaint so often heard. And with it goes the dwindling earnings and rising business failures. After all is said, one of the paramount reasons for business failures in the building industry is eternal destructive competition. A possible remedy would be if each responsible contractor would take a so-called irresponsible under his guidance and enlighten him in the correct principles of bidding and cost analysis The public is not to blame as long as the contractor permits himself to fall into the pitfalls of the irresponsible, he himself and only he is to blame for this chaotic condition. The contractor must sell the public the vital difference that exists between price and value. (Italics mine.)

Combined with this factor of keen competition due to low fixed costs is the significant fact that direct labor absorbs about 50 per cent of the contractor's total costs.⁷³ In an industry where only small fixed investment is required, the established firm, even though large, has little if any advantage against the newer and

⁷²Joseph Pruneau, former field manager for the Plasterers' Association of Cook County, in the National Builders Supply Bulletin, January, 1930, p. 17.

⁷³Various sources were used as a basis for this estimate. See U.S. Bureau of Labor Statistics Bull. 424; American Contractor, July 13, 1929, p. 12; National Builders Supply Bulletin, February, 1930, p. 14; and also L. J. Sheridan, op. cit.

This proportion of 50-50 between materials cost and direct labor cost does not appear to vary greatly irrespective of the fact of organization.

smaller competitors. It has the advantage of being "established," but this may be minimized if the new competitors demonstrate an ability to cut prices. Hence the large employers in such case will be interested vitally in any device which may eliminate price-cutting and "stabilize" the market. Because of the relatively high proportion of total cost which is absorbed by direct labor, the collective wage bargain forms an ideal instrument for this purpose.⁷⁴ It is no mere accident that, with some exceptions, the larger contractors are affiliated with the central associations of employers.⁷⁵ They will be found to be as much interested in standard rates of pay throughout the market as are the unions themselves.

In this connection the principle that "the workman is at liberty to work for whomever he sees fit, but he shall demand and receive the wages agreed upon by the Joint Arbitration Board in his trade under all circumstances,"⁷⁶ is worthy of some emphasis. Its express purpose is to assure association members that the independent contractors will not be able to get labor at lower rates. This purpose is not always realized, as has been indicated earlier, but the practice of undercutting union scales, however much it may pre-

⁷⁴Other devices are being used with the same end of controlling the "irresponsible" contractor. For some time there has been agitation in the B.C.E.A. for the establishment of a credit bureau. See Bulletin, November, 1929, p. 2, and April, 1930, p. 5. The Plasterers' agreement provides specifically for union assistance in this matter of credit control by the provision: "Members of the party of the second part (the union) hereby agree that they will not work for anyone owing money (so-called irresponsibles) legally due to members of the first part" (Art. III, par. 3). Although this study was substantially completed before the writer had an opportunity to examine Dr. William Haber's excellent work on Industrial Relations in the Building Trades (Harvard University Press, 1930), the analysis herein is supported by Dr. Haber's interpretation. See particularly pp. 251 ff.

⁷⁵According to the 1930 Census of Occupations there were 4,726 contractors and builders in Chicago. Since the 810 contractors affiliated with the B.C.E.A. and the Associated Builders controlled well over 80 per cent of the 1929 building, it is obvious that most of the large employers were affiliated with these organizations.

⁷⁶Principle VII of the Standard Agreement.

vail during periods of unemployment, has never been officially approved by the unions. That the collective bargain does act in good measure as a protection of Association members is indicated by the statement of the official of one of the more important Chicago unions: "To be candid, it's a cold-blooded proposition with the independents. Ordinarily no negotiation takes place over terms; they simply pay the rate agreed upon by the Association."⁷⁷ Similar statements have been obtained from other union leaders. The objection to the high wage rates of 1929-30 which was voiced by many of the organized employers was probably due largely to the fact that high scales during a depression period will tend to be undercut by the "irresponsible" contractors (and some of the responsible ones), and so negate the tendency toward uniformity which collective bargaining carries with it.

Although it seems clear that one of the basic reasons for collective bargaining is this desire of the contractors for protection from unscrupulous competition, this should not obscure other possibilities arising out of the same set of circumstances. Of the four thousand and more contractors in Chicago, less than one-fourth are affiliated with either of the central employers' organizations. It is the presence of a large number of independent contractors that assures the union membership that their organization shall not become merely an adjunct to the employer's associations. While the usual course of affairs is for the unions to deal with the larger employers of the central associations, they have stood ready to use the independents to advantage in the event that a favorable bargain could not be made with the central organizations. Without the existence of these independents, it is probable that the associated

⁷⁷Interview with a business representative of the Architectural Iron Workers' Union.

employers could very nearly dictate policies to the unions.⁷⁸

Another appeal which collective bargaining makes to the employer is found in the spasmodic character of building operations. The union furnishes the contractor with employment service, a service which, though it might be, has not been adequately supplied by other agencies. The employer wants some agency to furnish workers on short notice and to take them off his hands when he is through with them.

A final factor which aids collective bargaining is found in the character of the work itself. The technological changes occurring in recent years have not as yet removed the natural restriction upon the number of workers which the requirements of skill and training impose.

These, then, seem to be the significant economic conditions surrounding the construction industry that perpetuate collective dealing by workers. If the conclusions set forth here are valid, the institution of collective bargaining is imbedded in the local industry and possibilities of change are not imminent.

⁷⁸Note the ability of the contractors when completely organized to shatter the unions as demonstrated by the great lockout of 1900 (Montgomery, pp. 13-32). Also notice the inability of the employers' associations to hold membership in line after the unions were weakened (*ibid.*, pp. 33-48), as well as the resort of the unions to negotiations with the independents after the Landis Award (*ibid.*, pp. 293-309).

CHAPTER III

THE BUILDING-SERVICE WORKERS¹

I. The Organization of the Parties

Workers engaged in performing services necessary to the operation of Chicago buildings have found themselves in peculiarly favorable circumstances to bargain collectively in recent years. The present chapter essays the task of measuring the extent to which the Chicago market for such workers has been subject to collective control, of describing what terms and conditions of employment group actions have been able to establish, and of setting forth the more important factors that have influenced collective bargaining.

It may be conducive to clarity to notice at the outset that the classification adopted for this group is not parallel to the established organization of industry. The operation of metropolitan office and apartment buildings has become so distinct a business that the workers engaged in it may properly be spoken of as belonging to a particular industry. The maintaining, operating, and servicing of factory buildings, on the other hand, is customarily carried on under the supervision of managers concerned with the general operation of factories. The reason is probably, at least for the larger factories, that the equipment is specialized and requires to be handled in accordance with the production schedule of the indi-

¹In addition to the specific recognition given in footnotes, the writer wishes to acknowledge the reliance in the writing of this chapter as well as the chapter on "Local Transportation" upon manuscript and materials gathered by the late Sterling F. Rigg for a doctoral dissertation which was in preparation at the time of his death. The extent to which the writer is indebted to Rigg's work cannot be adequately indicated in specific footnotes.

vidual plant. Whatever may be the reason, this fact makes the treatment of the Operating Engineers in this chapter seem incongruous. Many of the members of this union are engaged in operating boilers and engines in industrial plants. Practical reasons, however, seem to justify the procedure followed.

Although extensive collective bargaining by the Chicago workers engaged in the servicing of buildings is of later date than in other branches of unionized industry, its growth has been rapid, and it possesses perhaps as great strength as can be found in any locally organized labor activity. The unions active among this group of workers, together with their respective memberships, are listed in Table X.

TABLE X*

Union Membership of Workers Servicing Chicago Buildings, 1929

		Membership
Chicago Flat Janitors	B.S.E.I.U. Local 1	8,000 ^a
Theater and Office Janitors	B.S.E.I.U. Local 25	700 ^a
Barber Porters	B.S.E.I.U. Local 28	400 ^a
Window Washers	B.S.E.I.U. Local 34	560 ^d
Elevator Operators	I.U.E.C. Local 66	2,500 ^b
Operating Engineers	I.U.O.E. Local 399	3,300 ^d
Watchmen	Federal Union 15793	38 ^c
Total		<u>15,498</u>

*The figures given are for the beginning of 1930 or the close of 1929, and, while believed to be reliable, are only approximations. The authorities for them are: (a) statement of union official, Rigg MS (checks from other sources indicate that these figures are probably liberal); (b) Federation News, June 16, 1929, p.9; (c) per capita tax payment to Illinois State Federation of Labor for 1929; (d) statement of union official to writer.

An estimate based on the 1930 census figures for the workers within the jurisdiction of the unions listed above gives a figure of 42,616, and on this basis the group may be considered 36 per cent organized.²

² This figure is arrived at by combining the totals in the 1930 Census of Occupations appearing under the following headings: "Guard, Watchman, and Doorkeeper"; "Charwomen and Cleaners"; "Elevator Tenders"; "Housekeepers and Stewards"; "Janitors and Sextons"; and "Stationary Engineers."

For some of the individual unions it is possible to make separate estimates as to the extent of organization. The 2,500 members of the Elevator Operators' Union may be set over against the census figure for 1930 of the total number of operators in the city, 5,209, and a result of 48 per cent organization is reached. Similarly, the census figure of 1930 of the stationary engineers in the city is given as 9,962, and comparing this with the union membership, one finds that the craft is about 33 per cent organized. In a like manner, if all the union janitors,³ including those engaged in municipal service, are combined, a resulting figure of 9,840 is obtained. The census of 1930 gives the figure of 18,437 as the total number of male janitors and sextons in the city, and when this is compared with the union-membership figure, it is seen that the craft is about 53 per cent organized. If it were possible to separate the flat janitors from the rest of this group, it is likely that the eight thousand members of the Chicago Flat Janitors' Union would represent well over 60 per cent of the apartment-house janitors in the city.

The largest of the employers' organizations having bargaining relations with any of the unions treated in this chapter, whose direct or indirect affiliates employ over 60 per cent of the organized janitors, is the Chicago Real Estate Board. The Board has an active membership of 1,400⁴ real estate brokers and apartment-building managers. Although the Board has many other purposes than to determine the labor relations of its members, since 1918 it has been the prin-

³The unions combined in this group are Flat Janitors, Theater and Office Building Janitors, City Hall Janitors, and School Janitors, respectively locals Nos. 1, 25, 30, 46 of the Building Service Employees' International Union, hereafter abbreviated B.S.E. I.U.

⁴Interview with an assistant executive secretary of the Chicago Real Estate Board, September 11, 1930.

cipal bargaining agent with the Chicago Flat Janitors' Union.⁵

Through a labor committee operating under its renting division it negotiates the agreements covering the wages and working conditions of the unionized flat janitors, which are then accepted by the rest of the employers using the services of union janitors.

The Exhibitors' Association of Chicago, which makes agreements for its members with the theater janitors, is composed of about 150 of the larger moving-picture theaters in the city.⁶ It has no further function than to act as an agent for its members in labor negotiations.

The Building Managers' Association of Chicago consists of the managers of 150 of the larger office buildings. Although the Association has other purposes than the determination of labor policies, it has for more than twenty years negotiated the agreements with the Elevator Operators' Union, and its members employed in 1930 about 80 per cent of the members of that organization.⁷ The association has in the past also made agreements with the Office Building Janitors and the Window Washers' Union, but its negotiations with these two organizations have been discontinued in recent years.

The unionized engineers, while dealing directly with a number of individual employers, also negotiate with six employers' associations. These are the Illinois Milk Dealers' Association, the Master Cleaners' and Dyers' Association, the Chicago District Ice Association, the Chicago Ice Cream Manufacturers' Association, the Exhibitors' Association of Chicago, and the Chicago Packers' and Sausage

⁵Other organizations of employers active in this field but not bearing the same degree of responsibility in dealing with the Flat Janitors' Union are the Apartment and Hotel Owners' Association, Jackson Park Hotel Association, and the Cook County Real Estate Board.

⁶Interview with an official of the Chicago Exhibitors' Association, July 17, 1930 (see *infra*, p.193).

⁷Interview with an official of the Building Managers' Association, September 11, 1930.

Manufacturers' Association. Except for the Master Cleaners' and Dyers' Association, the District Ice Association, and the Exhibitors' Association, all of these employers' organizations are of an informal character, the members meeting irregularly for the purpose of determining labor relations.

The two remaining employers' organizations dealing with the unions of this group are the Master Barbers' Association, which makes agreements with the Barber Porters' Union, and the Employers of Window Cleaners. The latter organization consists of fifteen out of the seventeen⁸ window-cleaning contractors of the city and makes agreements for its membership with the Window Washers' Union (B.S.E.I.U. 34). Prior to 1928⁹ this union also had an agreement with the Building Managers' Association, but in that year, after a strike of eleven weeks against the Managers' Association, it was forced to content itself with agreements with some of the individual members of the Association.¹⁰ At present it has separate agreements covering the work in thirty-five Loop buildings.¹¹

II. The Agreements

Although two of the unions (Engineers, and Theater and Office Janitors) in the building-service group deal with the same Exhibitors' Association, there is no further overlapping, and the agreements may therefore be considered as quite independent of each other. There is some sympathetic action manifested between some of the individual unions of this group, but even in these cases the agreements are made without formal co-operation.

⁸Employers News (official monthly bulletin of the Employers' Association of Chicago), November, 1928.

⁹Interview with an official of the Building Managers' Association; also Federation News, January 28, 1928, p. 9.

¹⁰Federation News, April 28, 1928, and letter to the writer from the president of the B.S.E.I.U., Local 34, June 4, 1930.

¹¹Letter cited above.

All of the agreements of the more important unions of this group (by which phrase are excluded the Barber Porters and the Watchmen) call for the closed shop,¹² establish minimum wage scales, and provide for some form of peaceful settlement of disputes. Because of the nature of the work, it has not been found practicable to establish the eight-hour day as standard for these unions except in the case of the window washers. The agreement of the engineers, however, limits the number of hours of work per week to forty-eight with the provision that the union assume the responsibility of furnishing satisfactory extra help for the seventh day of the week, and, failing to do so, the employer is granted the privilege of hiring his regular workers at straight pay for the seventh day. No reference to the working hours is contained in any part of the Flat Janitors' agreement, and the only provision indirectly governing this matter appears in the by-laws of the local in the rule that "steam and hot water must be provided from six o'clock a.m. to ten o'clock p.m.," but the union reported a working day ranging from twelve to seventeen and a half hours in May, 1930.¹³ The Elevator Operators secured an eight-and-a-half-hour day in 1927,¹⁴ which has been maintained since that date, but the Theater Janitors were unsuccessful in their efforts to standardize the workday to eight hours in 1930.¹⁵

The practice of sympathetic action has been tacitly recognized and its abuse guarded against by the provision in the Engineers'

¹²Although the agreement of the Elevator Operators has not been available, details as to the working conditions of the Operators have been obtained from published sources and by interviews. The Flat Janitors' agreement does not specifically call for the closed shop. Since on any particular building there will usually be only one janitor, adoption of the agreement by an individual employer makes the closed shop automatically effective. Cases rarely occur where a single employer managing a number of different buildings hires union janitors on some but not on others.

¹³Constitution and By-Laws, art. 4; U.S. Bureau of Labor Statistics, Bull. 540, p. 314.

¹⁴Federation News, November 12, 1927, p. 5; Buildings and Building Management, June 4, 1928, p. 61.

¹⁵Monthly Labor Review, May, 1930, p. 120.

agreement, which states that "no sympathetic action shall be taken by Local 398 of the I.U. of O.E. unless party of the first part (the employer) refuses to submit the matter to arbitration or conciliation." The Flat Janitors, from whom some statement in regard to this matter would be of importance, give the question only passing recognition in the statement that "no janitor shall do work which will conflict with any trade union except in cases of emergency or where the interest of his employer shall suffer from failure to have the work done immediately," but nothing is said regarding the sympathetic strike.¹⁶

Efforts to safeguard tenure of position have been made by the Window Washers' Union, the Engineers, and the Flat Janitors. The Window Washers have inserted a clause in their agreements with the individual employers as well as with the association of contractors to the effect that "in all cases of lay-off, seniority rights shall rule, except in the cases of stewards and assistants; they shall be the last men to be discharged." The Operating Engineers have agreed that "plants not operating continuously where, at the end of a season, it is necessary to lay off engineers, such engineers shall be given all possible consideration. Seniority shall prevail providing such operating engineer is competent." Additional security of tenure is obtained for the members of this union by the provision that "in case of prolonged illness the engineer is entitled to recovery of his post within four months. His watch may be divided at straight time for four days (i.e., among the members of the regular work force), after which the union must furnish a competent man."

¹⁶1927-31 Agreement, sec. 6. The by-laws of this union are more specific, stating under "Duties of Members" that they "shall assist in every way possible union milk wagon drivers, and union men of other crafts in keeping track of tenants and helping all union men in every way possible" (p. 13, art. 6).

The most significant protection clause of this type appears in the Flat Janitors' agreement. The union stipulates:

The employer or his agent shall have the right to discharge any janitor or helper for cause, upon giving him fifteen days' notice in writing. In case the janitor does not occupy quarters in the building, he may upon receipt of fifteen days' pay, be discharged upon one day's written notice. In the case where the janitor does occupy quarters in the building, he shall receive fifteen days' notice in writing, within which fifteen days he shall move therefrom. The owner or his agent have the right, upon giving said janitor fifteen days' pay, to place another union janitor in charge of said building. (*Italics mine*).

The basic wage rates established by the agreements for the various unions effective in 1930 were as follows:

Janitors

Flat\$120 per month or \$1 for every \$15 of gross rental

Theater and office..\$20 per week for women*
\$31 per week for men

Barber Porters\$5 per week in a three-chair shop,
and \$1 for each chair over three,
plus shoe-shine-stand privileges

Window Washers\$1.25 per hour when working for
contractors, and \$160 per month
when working directly for building

Elevator Operators ...\$132.50 to \$140 per month

Operating Engineers ..\$0.95 to \$1.37½ per hour

*Effective since March, 1930. The new agreement of this union formed with the aid of the U. S. Conciliation Service failed to meet union demands for an eight-hour day and minimum scales of \$0.70 and \$0.80 per hour for men and women, respectively. See Monthly Labor Review, May, 1930, p. 120. The agreement effective from March 10, 1930, to March 10, 1932, reads, the employer "will pay to all women janitors an increase of \$2 per week over the salary they received in 1929, providing such women do not receive over \$20 per week" and further states that the employer will increase the wages of men janitors who received less than \$30 weekly in 1929 by \$2.50 and those who received more than \$30 by \$1 per week. Hence it is clear that there may be numerous variations from the figure quoted above and that "the increase of 10 per cent to all workers" which has been reported elsewhere as the terms of the settlement is not accurate.

No abbreviated schedule can be made to present a fair picture of the wage structure of the more important unions of this group. The

Elevator Operators' scale of \$140 per month applied only to so-called Class A operators working on buildings of nine stories or more who were employees of six months' standing. Such operators were hired at \$130 per month and advanced to \$135 after the first three months of service. Similarly, Class B operators, which includes all men engaged in the running of freight elevators as well as those operating passenger cars in buildings of nine stories or less, started at \$122.50 and after three months' service advanced to \$127.50, and only after six months' service did the rate of \$132.50 become effective. Elevator starters on all buildings were promised \$10 more per month than was received by the operators in the buildings in which they were employed.

The Engineers' agreement with the Exhibitors' Association provided for weekly scales of \$50.40 for Grade B men, \$56 for Grade A men, and \$70 for chief engineers with double time for overtime after midnight. The other agreements of this union provide hourly rates. The highest wage scale (\$1.37½ per hour) was effective only for the employees of two companies (Standard Brands and Fleischman), while between this rate and the lowest (\$0.95 per hour) there were four different scales, the graduation depending in the main upon the size of the boilers and machinery operated.¹⁷

The ingenious provisions of the Flat Janitors' agreement relating to the wage scales can scarcely be summarized fairly in brief form. The agreement itself requires very nearly two full printed pages of legal oap to set forth all of the terms regarding the payment of wages, and while the basic scale already referred to, \$1 out of every \$15 of gross rental, was commonly spoken of by

¹⁷This is the only explanation for the difference in the scales referred to by the union officials. One suspects, however, that other factors are of no small influence in the fixing of these differentials. On the Exhibitors' Association agreement see Billboard, March 15, 1930, p. 19.

both the union representative and the employers as the "janitor's scale," there were so many exceptions to it that one must be wary of accepting this abbreviated statement without considerable attention to these possible exceptions.

The first fact to be emphasized is that nothing can be said of the wage rate paid to janitors of buildings of more than five stories in height, nor on the smaller flat buildings where the average rental per apartment exceeded \$240 per month. In such cases the agreement provided that rates be fixed by conference between a representative of the union and the employer or his representative. In the event that these individuals cannot agree, it is required that in cases where the employer is a member of the Chicago Real Estate Board, or because of ratification of the agreement of the Real Estate Board he comes under its protection, the matter shall be referred to a permanent board of arbitration.

For buildings of five stories in height or under, definite scales are inserted in the agreement. In order that ready comparison may be made with the so-called "basic" scale, the language of the agreement has been translated into terms of the rate per every \$15 of gross rental income wherever possible. The regular 1929-30 scale was as follows:¹⁸

For two-flat buildings.....	\$1.50	per each \$15 of gross rental income
For three-flat buildings.....	1.37	per each \$15 of gross rental income
For four-flat buildings.....	1.19	per each \$15 of gross rental income
For five-flat buildings.....	1.07	per each \$15 gross rental income

¹⁸The reported 5 per cent reduction in the Flat Janitors' scale effective in April, 1931, applied to buildings containing six flats or more. On these buildings, if the average rental was from \$60 to \$120, the basic rate was reduced from \$1 to \$0.95 for every \$15 of gross rental income. On buildings containing from two to five apartments, the rates were left so as to figure out exactly the same as those for 1930. For details as to the new rates see Monthly Labor Review, July, 1931, p. 161.

For all buildings containing six flats or more, where the average gross rental income per flat was from \$60 to \$120, the so-called basic scale of \$1 out of every \$15 of rental income applied. This rate was modified, however, where the average rental income per flat exceeded \$120 to the extent that the employer paid only \$0.875 out of every \$15 of such excess rental income. In regard to buildings of six flats or over where the average rent was less than \$60 per flat, two different rates applied. If the average gross rental were under \$35, the janitor was promised \$3.75 per month for each flat in the building; where the average monthly rental per flat ranged from \$35 to \$60, the janitor was entitled to \$4 per month for each flat in the building.

In the event that exclusive service of the janitor was required on buildings having up to twenty-four flats, the janitor was entitled to a cash payment of \$120 per month. This \$120 rate could become effective only in the event that the regular scales as stated in the foregoing paragraph did not figure as more. It is to be regarded then as a minimum which might not have been significant in practice.

Another minimum rate was established where exclusive service was required on buildings having more than twenty-four flats. In such cases the janitor was guaranteed a payment of \$5 out of every \$60 average flat rental in case the regular scale would not give him this amount.¹⁹ In addition to the monetary compensation, it was required in all buildings having in excess of six flats that "healthy, sanitary living rooms" be provided for the janitor. In lieu of furnishing such housing accommodations, buildings having

¹⁹This provision of the agreement, which reads, "\$5 per month per flat for every \$60 average rental," it should be noted, leaves some doubt as to whether compensation is to be made on the basis of the number of flats or the amount of rental income.

between six and eighteen flats were obliged to pay the janitor an extra \$6 per month, and those having in excess of eighteen flats were required to pay \$12 a month extra. A further safeguard to the janitor's income appeared in the requirement that he was to receive compensation on the basis of \$60 rental for all vacant apartments.

The earnings obtained by janitors under the foregoing provisions could be supplemented in the following ways: where there were garages in connection with a building which required "any attention of the janitor," he was entitled to \$1 per month "for each and every space of one automobile." If a house telephone or enunciator connected with the janitor's apartment, he was to receive \$30 per month in addition to the regular wage scale. The presence of ice machines or elevators in buildings which required "any attention from the janitor" added another \$10 to his monthly income. A final supplementary source of income occurred where the janitor was required "to carry the vacuum cleaner to tenants from time to time for the use of cleaning their flats." For this service \$10 extra monthly compensation was to be paid.

The remaining provisions inserted under the wage-scale section of the agreement are really in the nature of penalties rather than compensation for services. In the event that an employer hired a union janitor on a building containing six flats or more, in which there were basement or English-basement living-rooms, failure to tender such living-rooms to the janitor for his use subjected the employer to a penalty of the amount of the rent of such living-rooms. If the tender was made, however, and refused, the employer might rent the flat and pay regular compensation for it. In order to assure the provision of living-rooms for the janitor, the agreement required that "on all buildings six flats or over where construction has started after May 1, 1927, healthy, sanitary living-

rooms in basement or English basement must be provided for the janitor." To assure compliance with this requirement, employers operating buildings constructed after May 1, 1927, which contained from eighteen to thirty-five flats and in which no apartment was reserved for the janitor, were subjected to the penalty of paying the janitor \$35 per month in addition to his regular compensation. Where such buildings had thirty-six flats or more, this penalty was raised to \$60 per month.

A section designed to increase and stabilize the employment of union janitors required that where the owner of the building or his representative reserved the right to do the janitor work himself, during a part of the year, double compensation should be paid to the union members during that part of the year for which they were hired.

It is important to notice that the Engineers, Window Washers, and Flat Janitors depart from the general practice of forming annual agreements. While the Window Washers' 1929 agreement with the individual buildings was for one year only, that with the Contractors' Association was made in September, 1927, to extend for a three-year period. The Engineers also follow the custom of making agreements for three years, although in some cases of individual buildings, they do make agreements from year to year. The present agreement²⁰ was made in May, 1930, and extends to May, 1933. Since the arbitration decision of Judge Barasa in 1922, the Janitors have followed the practice of forming long-term agreements. The contract effective in March, 1927, continued until March, 1931.

²⁰The writer has seen only the agreement with the Exhibitors' Association and that with the District Ice Association, but the union representatives have stated that the other agreements follow this pattern.

III. Operation of the Agreements

The attitude of employer representatives dealing with the unions of this group varies with the union with which they come in contact. In part this is due to the difference in the age of the various unions and in part to different economic conditions surrounding the individual crafts.

The relations under the agreements made between the Elevator Operators' Union and the Building Managers' Association seem to have been mutually satisfactory over a long period. The union points with pride to the fact that it has not experienced a strike of its membership in more than twenty-six years.²¹ The representatives of the employers seem to be equally well satisfied. The spokesman for the Building Managers' Association indicates clearly the attitude toward the union in the following statement made after the 1929 agreement had been negotiated:

The representatives of the union voiced a natural desire of their fellow workers for a higher wage. But it is to their credit that they recognized the fact of increased vacancies and lowered incomes in the office buildings of Chicago. In the end a two-year extension of the existing agreement was adopted with a continuance of the friendly relations that have existed for many years between the members of the Association and their employees.²²

Although the employers of the members of this union have recognized the fact that wage rates established by collective bargaining are somewhat inflexible, they seem to feel that it is worth while to forego the privilege of taking advantage of temporary gluts in the labor market for the assurance of a fixed and uniform wage scale.²³ Strangely enough, this attitude has not extended continuously to the employment of certain other groups of union workers.

²¹Federation News, November 12, 1927, p. 5.

²²Earl Schulze, president, Building Managers' Association of Chicago, in Buildings and Building Management, June 4, 1928, p. 61.

²³Interview with an official of the B.M.A.; also Buildings and Building Management, June 4, 1928, p. 61.

The reason for this difference in attitude on the part of the members of the Building Managers' Association is to be found partly in the leadership of the respective unions. The Windor Washers' Union, with which this Association had agreements before 1928, was reorganized in that year after five years of rather unstable management.²⁴ Doubtless some time may be required for a restoration of confidence.

The possibility suggests itself, although it is difficult to prove, that the strike of 1928, which terminated the bargaining relations between the Building Managers' Association and the Window Washers' Union, may have been the result of instigation by the contracting employers of the members of this union.²⁵ It is fairly clear that an increase in the wage rate effective on buildings under the control of the Managers' Association might result in the discontinuance of employment of window washers by the individual buildings and a turning over of the work to the contractors.

Except in the case of the Flat Janitors, the arbitration provisions of the agreements have been of only minor significance. Representatives of the Operating Engineers state that neither the employers nor the union have availed themselves of the privilege of arbitration in recent years. A recent dispute of importance affecting the members of one of the building-service unions in which outside assistance was called for was the threatened strike of the Theater Janitors in March, 1930. With the aid of the United States conciliation service the dispute was adjusted and a new agreement formed.²⁶ Disputes over the settling of wage rates at the time of formation of new agreements by the Flat Janitors' Union necessitated the calling in of Chief of Police Charles Fitzmorris as an arbitrator to determine the terms of the 1921 agreement and of Judge

²⁴Federation News, December 21, 1929, p. 7.

²⁵Rigg MS, chap. iv.

²⁶Monthly Labor Review, May, 1930, p. 120.

Barasa to settle upon those incorporated in the agreement which ran from 1922 to 1927.²⁷

Because of the extensive control exercised over the labor market by the Chicago Flat Janitors' Union and the direct interest of the public in its activities, it is worth while to consider the operation of the Janitors' agreement in some detail. Apparently the attitude of the main body of organized employers dealing with this union is expressed in the opinion that "the union is here to stay" and that the employers must adjust themselves to its presence.²⁸ Nevertheless, this acquiescence has not been made without some protest.

In reviewing the relations between the union and the apartment-building owners during 1926, the organ of an employers' group that has assumed an uncompromising attitude toward the union states:

Great dissatisfaction continues in this field. It is charged that new and strange demands are being made upon flat owners by officials of the Chicago Flat Janitors' Union. These take the form of inability to discharge unsatisfactory janitors, and being forced to accept janitors against their will. Usually the flat owner accepts these impositions because of the great trouble in store for him if he opposes them. Being himself most inadequately in co-operation with fellow flat owners, there is nothing much that he can accomplish so long as the balance of power is so overwhelmingly in favor of the janitors' union.²⁹

Clearly one of the specific complaints made in the foregoing statement, that of "being forced to accept janitors against their will," has to do with the methods used by the union in securing agreements rather than the relations under the agreements after

²⁷Rigg MS, chap. iii. The downward readjustment of the Flat Janitors' wage scale made in April, 1931, was accomplished with the aid of the Conciliation Service of the U.S. Department of Labor. Likewise, the Window Washers' Union made use of the Service when in September, 1931, it threatened to strike before renewing the agreement with the Contractors' Association. The outcome was an extension of the old agreement to March, 1932, at the old wage rate of \$1.25 per hour. See Monthly Labor Review, June, 1931, p. 108; November, 1931, p. 118; Federation News, September 12, 1931, p. 14.

²⁸Interview with an official of the Chicago Real Estate Board; also Rigg MS.

²⁹Employers' News, January, 1927.

they are made. Fairness to the union requires that this distinction be recognized. There is no small amount of evidence to indicate that the union officials have been assiduous in pressing their claim for union recognition. The trial of the former president of the union and of nine other officials in 1922 on charges of conspiracy to "extort large sums of money for their own use" from property-owners brought to light some of the more flagrant abuses of union power.³⁰ Since the conviction and pardon of these officials open charges of attempts at extortion have not been made, but numerous cases have occurred where apartment owners have protested against being forced to employ janitors whom they did not need.³¹ Since it is one of the functions of "business" unionism to obtain and retain control over jobs, these charges must be considered in the light of this general purpose of unionism.

The other complaint that is frequently registered has to do with the freedom of discharge of unsatisfactory employees. It appears that in this matter members of the Chicago Real Estate Board are in a better position to secure adjustment of the grievances than are the independent property-owners. An official of the Board stated that while there are perhaps from fifty to a hundred cases a year where members complain of being furnished unsatisfactory men and of having trouble in discharging such men, these cases are satisfacto-

³⁰This trial was the outgrowth of the investigation of the so-called Daily Commission. See the Report of the Illinois Building Investigation Commission (1921). For other information concerning the developments of the trial, see Proceedings of the Illinois State Federation of Labor (1924); Chicago Tribune, June 17, 1922; 230 Ill. Appell. 655 and 310 Ill. 467.

³¹Austin Hotel Corporation v. Chicago Flat Janitors' Union, Case 489254; Melvin et al. v. Chicago Flat Janitors' Union, Case 514294; Twelve Nine Astor Street v. Chicago Flat Janitors' Union, Case 477955; Rokeby Hotel v. Chicago Flat Janitors' Union, Case 509883. In each of these cases an injunction was issued against interference with the operation of the building. Records of Clerk, Superior Court of Cook County. See also Chicago Daily News, September 26, 1930.

rily handled under the "arbitration" provision of the agreement.³² Clearly what was meant was that the employer can turn his complaint over to a representative of the Board, who, dealing directly with the business agent of the union, can usually secure a "mutually satisfactory adjustment."

Evidence exists, however, to the effect that these adjustments are not always entirely satisfactory, nor are they always made with dispatch. A statement from an employer representative whose attitude is one of fairness is so much in point that it merits quoting at length.

In one of our buildings we had a janitor who had been put on the job by the business agent. At first he proved to be very successful, but as time went on he became very lax in his methods and refused to listen to advice or warning. The tenants constantly complained about his services but it was of no avail. I asked the business agent to meet me at the building on three different occasions, but each time he came so late that I was forced to leave before his arrival, and each time that he came, he saw and talked to the janitor, but evidently he said nothing startling, for there was no apparent change in the janitor's work or his attitude. At last I had the office mail him out a fifteen-day notice and sent out another man to take his place. The new man was rather elderly and when he arrived at the place of his work, he was told by the janitor to "beat it" before he was in such a shape that he would not be able to go out on his own power. As soon as I heard of the dispute, I went out to see what the trouble was all about and found that the janitor had gone to all the tenants and persuaded them to sign a petition to have him remain on the building as they were satisfied with his services. Attached to this paper was the business card of the business agent. There was nothing for me to do then but let the matter rest for the time being. It was then late in the fall, and I afterwards discovered that the tenants had signed the petition because they feared they might get someone worse and they had no desire to freeze during the winter months. His work during the winter was terrible, and by the time spring came the building was in a disgraceful state. I waited until the board of health complained about the state of the backyard and then I called the business agent and had him meet me at the building, and this time I waited until he came, which, by the way, was long after the hour he had set for the appointment. He took only one glance at the state of affairs and then he asked for the janitor and told me to fire him immediately. I knew of a good janitor on a building nearby and suggested to the business agent that he give this man the job, but he said he would find some one to fill the bill. But the change was never made. A change of front on the part of the business agent and his decision to give the janitor another chance left the matter at exactly the same place as it was in the beginning. The only change was in the slightly better

³²Interview.

work that was produced, but outside of that the situation is as it always was and I expect will remain so.³³

The same building manager who related the foregoing case submitted several other specific instances of a similar character. While such cases may not be typical of the general relations existing between the employers and the union, it is fairly clear that they were not of infrequent occurrence.

To ascertain exactly how the janitors' union wage scale operates in practice is a difficult matter. The actual earnings of janitors will vary not only with the amount of rent and number of apartments in any one building, but also with the number of buildings assigned to each janitor. The assignment of buildings is almost wholly in the hands of the ten business agents of the union, the city having been divided into ten districts for the purpose of union control, with a business agent placed in charge of each district. This arrangement makes any attempt at the calculation of earnings based on the wage scale almost impossible. Some fragmentary evidence as to earnings is, however, available. The tabulated statement as to the earnings of six union janitors employed by one firm is suggestive.³⁴

Size and Kind of Building Cared For	Amount Paid on This Building	Kind of Service
12 stores, 12 apartments..	\$110 per month	Partial. Janitor care for one other building.
2 business blocks..... 12 stores, 2 boiler-rooms	\$75 per month	Partial. Cares for one or two other buildings.
24 apartments	\$175 per month with free apartment.	Partial. Cares for one other building.

³³Statement made to the writer by a building manager in May, 1930. Italics mine.

³⁴These figures are actual wages paid during the latter part of 1929 and the early part of 1930. They were furnished me through the courtesy of a Chicago real estate firm.

24 apartments.....	\$175 per month with free apart- ment.	Partial. Cares for one other building.
60 apartments.....	\$235 per month with free apartment.	Exclusive. Has two helpers.
89 apartments.....	\$235 per month with free apartment.	Exclusive. Has one night helper.

Wide generalization as to actual earnings is not justified from the foregoing data, but it leads to the suggestion, borne out by observation elsewhere, that the union aimed in 1930 to secure for its members earnings that were not far from \$200 per month with free housing.³⁵ There are doubtless many union members caring for smaller buildings who get less than this amount.

How much higher the present earnings may be than those of a decade ago, before the union had reached the height of its power, it is difficult to say. Such evidence as is available indicates that substantial increases in earnings as well as in wage rates have been made. It has been possible to obtain only a general statement from the officials of the Chicago Real Estate Board on this point to the effect that the "janitors are very well paid."

Some indication as to the increases that have been made is to be obtained directly from the changes in the wage scale despite the numerous possibilities which raise obstacles to exact measurement. The item about which one may speak with the greatest degree of certainty is the exclusive service minimum. In addition to housing accommodations, this was established at \$80 per month in the agreement running through 1917-18, raised to \$100 to 1919, and by 1927

³⁵Rigg, who had no access to the data here used, suggested the same figure. Rigg MS, chap. iv. In Melvin et al. v. Chicago Flat Janitors' Union it is revealed that one union janitor caring for a building containing thirty-eight apartments was paid \$212 per month, while another caring for a building of twenty-nine apartments was paid a monthly rate of \$197 in 1929 (Case 514294, Records Clerk, Superior Court, Cook County). Further evidence as to the range of earnings of union janitors is contained in U.S. Bureau of Labor Statistics, Bull. 540, (note continued on next page)

had reached \$120. For the period prior to 1917 no rates are available, but it is not unlikely that the minimum paid to both union and non-union janitors was less than the \$80 and apartment scale. Aside from the furnishing of housing accommodations, it is therefore likely that the 50 per cent increase in the minimum scale between 1917 and 1927 would be somewhat greater if it were possible to calculate it on a 1913 base. It should be observed that from 1913 to 1927 the cost of living in Chicago rose 77.1 per cent. If it is assumed that there was no change in the character of the housing accommodations furnished to janitors between 1913 and 1927, and if account is taken of the fact that the rent item absorbs only slightly less than 15 per cent of the total expenditures of the lower-income groups,³⁶ then it is fairly certain that on the basis of the minimum scales alone, the unionized janitors of Chicago have easily maintained their 1913 standards in the face of the rising cost of living. Even after accepting a reduction of the basic rates in April, 1931, the purchasing power of the janitors' wage scale remained well above the 1913 level.

Although reservations must be made to allow for the possibility of qualifications forced by more complete data, the indications are that the actual movement of earnings has been considerably more favorable to the workers than that of the minimum scale as discussed above. This conclusion is not only justified on the basis of such scanty information as is available regarding actual wages paid, but is deducible directly from the changes in the wage scales and the general economic conditions that have prevailed in Chicago over the

where the "rate of wages" is reported as ranging from \$60 to \$600 per month (see p. 514). It should be noticed that with the (1931) 5 per cent reduction, the basic scale means a somewhat larger reduction in janitors' earnings during a period of falling rents.

³⁶For the cost of living index, 1913-17, see Monthly Labor Review, February, 1930, p. 56. On amount spent for rents, see U.S. Bureau of Labor Statistics, Bull. 357, p. 5. Some other estimates indicate that workers spend more than 15 per cent for rent. See, e.g., International Inquiry into Costs of Living (Geneva, International Labour Office), p. 151.

last fifteen years. Although the principle of payment on the basis of gross rental had not been fully established until 1920, provisions of the earlier agreements indicate that the union had this in mind as the ultimate goal. If the regular wage scale of the 1917 agreement is translated into terms of percentages of rental income, it is seen to vary upward from 4.6 per cent. Similar treatment of the scales provided by the agreements of 1919 and 1920 indicates that payment in those years in terms of minimum percentages rose to 5.38 and 5.51, respectively, of the gross rental income. A further advance in this percentage was incorporated in the 1927 agreement when 6.66 per cent was made the minimum.³⁷

While these increases in the per cent of rent allowed to the janitor were being made, another movement--namely, a rise in the rent level for the city--was taking place. Although the Bureau of Labor Statistics' index for the cost of living in Chicago showed a decline beginning in 1920, the index for the rent item alone did not begin to rise sharply until that year. A small increase over the 1913 level of rents in Chicago had been made in 1918 and again in 1919, but in 1920 there began an upward movement in the cost of housing accommodation which continued unabated until the beginning of 1925, by which time the index number for Chicago rents had passed the 200 mark in terms of the 1913 base. Since 1925 a recession has occurred. It is correct to state in summary that the cost of housing accommodation in the city has continued to decline a few points each year until in June, 1930, the Bureau of Labor Statistics' index stood at 75.1 points above the 1913 level.³⁸

Hence, while it is true that the rents in the Chicago area have

³⁷The concessions of April, 1931, brought this minimum down to 6.33 per cent. See *supra*, p.77, n.18.

³⁸See Buildings and Building Management, January 2, 1928; also Monthly Labor Review, August, 1930, p. 253.

been slowly decreasing since 1925, early in 1931 they were still well above the index of 101.4, which reflected the rent level in 1917 when the janitors secured acceptance of their first comprehensive wage scale. This fact, taken in conjunction with the increase in the minimum per cent of gross rental allowed to the janitor, the increasing membership of the Flat Janitors' Union, and the almost complete absence of unemployment for the group since 1919, indicates clearly that substantial increases in earnings must have taken place since the first union wage scale became effective.³⁹

The next question of public interest is, From what sources have these increases come? The first step toward answering this question is to give due credit to the organization for having raised the standard of efficiency in some cases. Despite the numerous complaints against union janitors, it is probable that they are somewhat younger and more efficient than they would have been had lower wage scales prevailed. It seems also to be true that a somewhat more effective organization of work has resulted from the union régime. The consequences are that the practice of hiring janitors for exclusive service on the smaller buildings is not as frequent as it was under the conditions when lower wage scales prevailed.

While fairness requires that the foregoing factors of improved efficiency be given due weight, it is not possible to attribute the entire improvement in the janitor's economic status to these sources. Some assistance toward a more complete answer is to be found in further analysis of the wage-rate structure of the union agreement. Additional significance is given to these wage rates when they are translated into percentages of gross rental. The first attempt at

³⁹Rigg has reported that unemployed members of the Chicago Flat Janitors' Union rarely exceeds 20 or 30. Even in 1921, when the membership of the union was about 5,600, the officials reported that only 130 members were unemployed. These figures must be interpreted along with the business-agent control which permits division of work among the members. See supra, pp. 86, 87.

a comprehensive wage scale was made by the union in 1917. In the agreement of that year the regular scales were made to apply only in buildings where the average apartment rental did not exceed \$65 per month. Above this level, wage scales were fixed by special bargaining between the employer and the union representative for each individual building. For buildings in which the average apartment rental was less than \$65, the 1917 allowance for janitors' wages when converted into percentage of gross rental is seen to be as tabulated:

Type of Building	Wage per Apartment	Per Cent of Gross Income at \$65 Average
2 flats.....	\$4.50	6.75
3 flats.....	4.00	6.00
4 flats.....	3.75	5.57
6 or more flats.	3.00	4.60

Two things are to be noted in these figures. The first is that the union wage scale operates to discriminate slightly in favor of the more economical operation of the larger buildings. This is, of course, supplementary to other factors which may be to the advantage of the owners of the larger buildings. The second item of importance is that within the respective types of buildings listed, any decrease in the rental rates below \$65 tends to absorb a continuously larger proportion of the gross rental income in the form of expenditures for janitors' wages. There is introduced, therefore, a very definite check upon the cutting of prices for housing accommodations. Although changes were made in the classification of buildings in the agreements of 1919 and 1920 which prevent direct comparison with the 1917 rates, the same tendency of slight discrimination in favor of the larger buildings as well as in favor of higher rentals is present in the agreements of both of these years. Since the arbitration decision of Chief of Police Fitzmorris

at the close of 1920 and that of Judge Barasa at the close of 1921 extended substantially the same terms as embodied in the agreement of 1920 down to the beginning of 1927, there is no change in the rate structure to consider between 1920 and 1927.

The five-year agreement made in 1927 provided a more comprehensive rate structure than any of the previous ones. The percentage conversion of the scales of this agreement appears as in the accompanying tabulation:

Type of Building	Percentage of Gross Rental Absorbed by Janitors' Wages
2 flats--average rental up to \$240.....	10
3 flats--average rental up to \$240.....	9.16
4 flats--average rental up to \$240.....	7.91
5 flats--average rental up to \$240.....	7.16
6 flats or over	
Average rental less than \$35.....	10.43
Average rental \$35 to \$60.....	10.43 - 6.66
Average rental \$60 to \$120.....	6.66
Average rental over \$120.....	6.66 of \$120, plus 5.83 of surplus
Up to 24 flats.....	Exclusive service rate--\$120 per month

It is to be noticed that the so-called basic scale commonly referred to by both employers and union officials applies on buildings containing more than six flats with an average rental of between \$60 and \$120 per flat. Since it is probably true that the majority of actual rentals during the period between 1927 and 1930 have fallen somewhere within these limits, the qualifications to which the sliding scale of \$1 of every \$15 gross rental is subject have been overlooked. These qualifications are of some importance in considering the influence of the union scales upon the rent level. For the larger apartment buildings, where the average monthly rental is between \$60 and \$120, the agreement does provide for a true

sliding scale. Within these limits the landlord shares every increase in rents with the janitor and likewise passes on a part of the burden of any decrease. But below the \$60 level, the landlord is penalized for reductions in rent by having a larger proportion of his gross income claimed as payment for janitor services.⁴⁰ In the opposite direction, the employer finds that any increase in rentals which may tend to bring the average above the \$120 per month results in a slight decrease in the relative amount of his income which janitor services command. It should also be observed that since nothing is said in the agreement in regard to the size of apartments, a small advantage on the particular item of janitor expenses may accrue to the employer if the opportunity is open to him of dividing his building when under construction so as to contain a larger number of apartments and obtain a somewhat higher proportionate rental on the building than would be available if it contained larger apartments.

An additional observation is to be made with reference to the exclusive service scale for buildings having less than twenty-four apartments. It will be remembered that in 1929 this rate was a minimum of \$120 per month in addition to housing accommodations, with the qualification that this minimum was effective only in the event that the regular rate "does not figure more." A simple calculation will reveal that if the average flat rental for a twenty-four-apartment building requiring the exclusive service of the janitor is \$60 per month, this rental must rise to an average of \$75 before the regular scale becomes effective. At \$60 average rental

⁴⁰It should be noted that although the so-called basic rate was reduced in April, 1931, so as to mean an absorption of 6.33 per cent of rental income on the larger apartment buildings with average rentals between \$60 and \$120, the rate structure was not materially changed, so that the same tendencies discussed above were retained in the new scales.

the employer will give up for exclusive janitor service on such a building 8.33 per cent of his gross revenue. With every increase in his average rental above \$60 he will find that he will be required to give up a slightly smaller proportion of his gross income as payment for janitor service until his average income reaches \$75 per flat. At this point he will allow 6.66 per cent of his gross income for janitor service and will continue to do so until he has raised his average gross rental above \$120.

A similar influence, it may be observed, follows from the provision that the janitor shall receive compensation on all vacant flats on the basis of \$60 rental. An additional inducement is thereby created for the janitor to attempt to rent the higher-priced apartments in any building first and to allow those whose regular rental is below \$60 to remain vacant.

All the immediately preceding analysis of the wage structure of the Flat Janitors' Union agreement must be considered in relation to the extent of union control. Throughout the entire city the majority of landlords are unable to operate apartment buildings without reliance upon the Janitors' Union. If the agreement applied only to a few apartment buildings, scattered throughout Chicago, it is not likely that any of the provisions discussed above could have any influence upon the general level of rents in the city. Under the existing circumstances it is not possible to measure the strength of the influences which result from the operation of the wage scales. The present analysis does not presume to attempt any such measurement, and it must be interpreted strictly within the limits which the data impose. All that can be said conclusively is that the character of the wage-rate structure of the Flat Janitors' agreement is such as to discourage landlords from competing with each other in the lowering of rents.

It is possible to make out a strong theoretical case demonstrating that landlords possess the ability, within rather wide limits, to shift on to consumers any additional costs which the unions force upon them. So far as the flat janitors are concerned, the maintenance of one janitor for an apartment building does not mean the absorption of a large portion of the employer's gross revenue. Moreover, the market for housing accommodations is limited not only to Chicago, but even within the city there are certain "non-competing" areas or markets. Hence, organization might maintain itself within one of these areas and pass additional costs on to the tenants in that section even if no organization was to be found in the rest of the city.

How long this could be maintained would depend upon a number of factors, among them the differential in the rents between this area and any of the other sections of the city, comparative transportation facilities, the geographical features of the "non-competing" area, and the personal estimates of the tenant regarding the prestige value of residence in such a section. In other words, maintenance of such an organization would depend upon the reality of its isolation from the rest of the city.

IV. Limiting and Supporting Forces

In casting about in search of the more fundamental forces influencing the bargaining relations of the unions of building-service workers with their employers, the most obvious and perhaps the most important fact is to be found in the nature of the market for the services of such workers. It will be noticed that the members of all of these unions perform services which must be done locally. Except for the possibility of replacing labor with labor-saving equipment made outside the city, the transference of the work to

be done by any of these groups of workers from a definitely and narrowly limited area cannot take place.

Since this condition of market isolation applies to the work of the members of all of these unions, and since all of them obviously do not possess the same degree of bargaining power, other factors must be considered in explaining the ability of the more powerful to maintain their favorable position. An item suggested by an official of the Building Managers' Association in accounting for the fairly stable position of the Elevator Operators' Union is the desire of employers to stabilize the market for labor and to eliminate competition in the determining of wage rates. In spite of the merit of this suggestion, it is not likely that this factor of desire for stability on the employers' part is nearly as important in accounting for the strength of organization within this group as it is in some other industries. This statement should be qualified, however, particularly with respect to the window washers, where it seems certain that because of the very great importance which wages assume in the total expenditures of the window-cleaning contractors, stabilization and uniformity of wage rates have enabled the employers to standardize prices and reduce competition.⁴¹ This motive does not operate to anywhere nearly the same degree where members of this union are hired directly by the individual buildings.

For most of the unions of this group, the wages paid to their membership will not exceed 12 per cent of the total expenditures of their employers.⁴² While this is a significant item, the elimination of competition with reference to it would not seem to be

⁴¹Employers' News, November, 1926.

⁴²"Operating Costs in Chicago Office Buildings," Buildings and Building Management, August 1, 1927; also, Charles P. Marks, vice-president of Jamison Co., on "What Does It Cost To Operate Apartment Buildings?" ibid., July 16, 1928, p. 56.

a strong enough motive to induce employers to accept union conditions merely for this reason.

Except for the possible case of the Engineers, it is not likely that the skill requirement in any of these crafts is a very substantial barrier to entrance. The assumption commonly made, then, that successful business unionism is necessarily limited to skilled workers is not borne out by the experience of these unions. It is probable, however, that the low skill requirement has been a limiting factor, particularly for the weaker unions of this group, where there have not been other strong counteracting forces.

These counteracting forces are nicely demonstrated in the strategic position which the Flat Janitors' Union has enjoyed with reference to sympathetic action by other unions. The picketing of apartment houses has proved to be an exceedingly effective weapon for this organization, particularly because this device has enabled the union to prevent deliveries of goods to the buildings operated by antagonistic employers. In the case of one apartment hotel where oil burners were installed, the owner, who refused to accede to the demands of the union, testified that deliveries of oil, milk, laundry, groceries, and meats were stopped at his building. On one day three deliveries of oil were intercepted and turned back, and only by the use of police protection after midnight was it finally possible to have oil delivered.⁴³ Other employers meeting with similar difficulties have found it necessary to haul coal in bags in passenger automobiles⁴⁴ Similar illustrations as to the reliance upon mutual assistance by other unions of the building-service group may be supplied. Close alliance with the building-trades unions

⁴³Rokeby Hotel Co. v. Chicago Flat Janitors' Union, affidavit of H. L. Solomon, president of Hotel Co., Case 509883, Superior Court of Cook County.

⁴⁴Melvin et al. v. Chicago Flat Janitors' Union, Case 514294, Superior Court of Cook County.

has always been maintained by the officials of the Flat Janitors' Union. Moreover, it can hardly be regarded as a mere coincidence that all six of the employers' associations having relations with the Operating Engineers also deal with some one or the other of the local unions of Teamsters and Chauffeurs. The Theater Janitors' Union has only recently begun to assume some importance, and there is good reason to suspect that there is a direct relationship between its new lease of life and the accession to the position of business agent by one of the officials of the powerful Motion Picture Machine Operators' Union. The value of co-operation within the group of building-service unions has received its most recent demonstration in the case of the Elevator Operators. "Using the janitors as sales agents," this union is said to have added 300 members to its roll in 1930 among the operators employed by the landlords owning North Side apartment buildings.⁴⁵

An added factor aiding the janitors in maintaining control is the fact that they are able to deal with single workmen. A strike against an offending employer usually means a strike of one man in the first instance. Such a situation seems to lend itself to organization much more readily than if it were necessary to mobilize large numbers of factory workers for united action.

For the Elevator Operators there are two forces which tend to give special support. The one is the obviously added strength derived from affiliation with its sister-local, the Elevator Constructors. The support of this powerful building trade-union has not been called for in recent years, but it has been an ever present reserve lying in the background.

The other special advantage working to the benefit of the Operators' Union is the tendency for office-building managers to

⁴⁵See Chicago Daily News, October 10, 1930.

make long-term leases. To a lesser degree this same tendency may be of significance in the case of some of the other unions. To the extent that this tendency makes for fixed incomes for the employers, it at least helps to reduce the employers' resistance to any device that will make his expenses calculable in advance for a long period. In case of the managers of office buildings where the cost of operating elevators is one of the larger current items of expenditure, it may be that this influence is strong enough to act as a positive inducement to employers to support rather than merely acquiesce in the existence of the union.⁴⁶

The greatest problem confronting the unions dealt within this chapter seems to be that of securing capable leadership. This is probably among the greatest handicaps which unions of unskilled workers have to face. It is of no slight importance in accounting for the strength and rapid growth of the Chicago Flat Janitors' Union to notice that it has been particularly fortunate in this regard. Even employers who have disagreed most strongly with the purposes and methods of the unions have been willing to concede that the officials have demonstrated ability for leadership.⁴⁷ Sometimes it would appear that there is room to question the use to which this ability has been put, but there is little doubt that it has made for survival of the union.

Of major importance in explaining the bargaining strength of the Flat Janitors' Union is the fact that it rode into power on an upward movement of the rent level. Perhaps if the analysis of the

⁴⁶"Office building owners frequently make three, five, and even ten year leases, contracting to furnish space and service at a fixed price" (Lewis B. Ermeling, executive secretary, National Association of Building Owners and Managers, in Chicago Realtor, June, 1927, p. 9).

⁴⁷Employers' News, February, 1927, states regarding the former president of the Flat Janitors' Union, "Whatever may be said of Quesse's attitude toward law, it must also be said that he was a man of considerable capacity for leadership."

foregoing section has been correct, it added its own slight contribution to this upward movement of rents. Whatever its contribution may have been, it is fairly clear that the situation permitting an increase in rentals worked to the advantage of the organization and growth of the union. There is little doubt that the demand for the services of flat janitors increased sharply during the period following 1921.⁴⁸ Added to all of these favorable influences has been the fact that the landlords of the city, particularly with reference to their labor policy, have been only partially and weakly organized. The significance of this fact was clearly illustrated in 1917, when the most powerful of the employers' organizations, the Chicago Real Estate Board, refusing to sign an agreement with the union, found its opposition of little significance since the union officials were able to force individual employers to accept their terms.

Against this background and amid these forces the unions of workers operating Chicago buildings have developed. The Flat Janitors by various alliances, during a period of increasing demand for janitor service, have easily demonstrated their superior position, but several of the other unions have been of significant influence in the labor market.

⁴⁸This increase in demand for janitor service is an accompaniment of the tendency toward an increase in apartment-house dwelling. This is shown clearly in the figures of building expenditures in Chicago from 1921 to 1927. While Chicago building provided for housing accommodations for 12,252 families in 1921, the corresponding figure for 1927 was 41,201. In 1927, moreover, 76.2 per cent of these were provided for in buildings having accommodations for three or more families, while in 1921 only 44.6 per cent of the total were furnished housing accommodations of this multi-family type. See pamphlet of the U. S. Bureau of Labor Statistics, Building Expenditures, 1921-27 (1928).

CHAPTER IV
THE METAL-TRADES WORKERS

I. The Organization of the Industry

The more important arrangements for collective bargaining by the local metal-trades workers will be found to lie within some one of the four following fairly distinct branches of industry:

1. Pattern manufacturing
2. Foundry work
3. Machinery operation and assembly
4. Electrical-equipment manufacturing
 - a) Telephone manufacturing
 - b) Switchboard and appliance manufacturing
 - c) Electric-sign manufacturing

The agencies through which collective bargaining takes place are organized, with some overlapping, within each of these branches. Among the employers dealing with labor-unions, there is no central organization covering all branches of metal-products manufacturing. The only all-inclusive employers' organization in the metal trades is the Chicago branch of the National Metal Trades Association, whose members subscribe to principles asserting the employer's right to maintain the open shop and to hire workers "without discrimination" as to their affiliation with labor organizations.¹ Some of the employers of union metal-trades workers have, however, organized associations within the separate branches of industry. Two-thirds of the union employers of the foundry industry, excluding the stove foundries,² are members of the Chicago Foundrymen's As-

¹See C. E. Bonnett, Employers' Associations in the United States (Macmillan, 1922), chaps. iii and iv.

²There were only two union stove foundries in Chicago in 1929. Since the collective bargaining in the stove industry takes place (note continued on next page)

sociation. At one time this organization had thirty-two foundries as active members, but recently this number has decreased to twenty. The terms of the bargain made between this Association and the union are accepted, however, by about ten other foundries that use union labor but are not members of the C.F.A.

The organization of union employers having the widest influence in the Chicago metal trades is the Chicago Manufacturers' Association.⁴ While it is made up of only fifteen companies manufacturing various types of metal products, these firms employed from three to four thousand workers in 1929. Although officials of the organization have stated that the principal purpose lying behind the organization of this Association was "merely to deal collectively," it appears that the more specific motive was to resist the demand for an increase in wage rates made by the Machinists' Union in May and June, 1919. The rate for machinists was then \$0.80 per hour, and a request was made for \$1.00. The employers refused, and some of them seized upon this as the occasion for forming the Association. Strikes were called against most of the shops by the machinists, and the newly formed Association retaliated by declaring a lockout. After a three weeks' closing of the plants, a compromise settlement was reached whereby the men returned with the understanding that after September 1 the rate was to be \$0.95.

through conferences of national scope, it does not fall within the range of this study.

³ Interviews with secretary, April 12, 1928, and July 22, 1930. This organization will hereafter be referred to as C.F.A.

⁴ Hereafter referred to as the C.M.A. Some non-union employers have represented this Association as being a secret organization. This apparently is a myth, for a number of the members of the Association, when consulted, were found to be very willing to co-operate with the present undertaking after they were assured that information gathered would be handled carefully and without personal bias. Since the organization is somewhat informal, little in the way of records is available. Hence, some of the details surrounding the organization as here presented may not be strictly accurate, since they are based upon statements made to the writer from memory.

Although the struggle resulted in an increase in the union scale, it cannot be regarded as a complete victory for the union. A number of the firms against which the union struck did not join the Association and refused to grant even the compromise settlement. For these firms, drawn into collective agreements because of war-time industrial conditions, the strike furnished the desired excuse for a discontinuance of relations with the union. Hence the membership of the Chicago Lodge (District 8, fourteen locals)⁵ fell from 14,590 in 1919 to 9,345 in the following year. Moreover, the payment of premium wages by some of the union firms⁶ before the strikes occurred indicates that the newly formed Association made a somewhat smaller concession than at first appears.

The clash of 1919, then, furnished the immediate incentive for the organization into an employers' association of the more important firms dealing with the Machinists' Union.⁷ Since 1919, the Association has acted as the representative of the union employers in negotiations with the Machinists' Union and has helped some of its members in settling terms with the shopmen's local (115) of the Sheet Metal Workers. The organization is somewhat

⁵ Statement to the writer by a business representative of District 8. At that time District Lodge 8 included the local of Auto Mechanics 1528, which has since been affiliated with District 14, an organization of all the Auto Mechanics locals in Chicago and the neighboring communities. The membership of the Construction Local 126 is also included in the figure given above, although in this study it is treated as a building-construction union rather than as a metal-trades organization. See supra, pp. 42, 43.

⁶ Statements that premium wages were being paid have been made to the writer by several employers, although it is impossible to estimate to what extent the practice prevailed.

⁷ Some details regarding this struggle and the formation of the new employers' association are to be obtained from the issues of the New Majority, July 5, 19, 26, 1919. The writer has reason to believe that the circumstances surrounding the Duplex Printing Press Co. case (see Fed. Rep. 772, 254 U.S. 443, 1921) may have had some significance in the formation of the Manufacturers' Association. Two of the largest firms in the Association are manufacturers of printing equipment. None of the employers interviewed has admitted any such relation, and no strong inference regarding the matter is justified.

informal in character, its members meeting about once a month for a discussion of trade conditions. No regular office is maintained, nor are there any full-time paid officials.

In the electrical-equipment manufacturing group, there are two informal associations, one consisting of the manufacturers of electric signs, the other composed of eleven switchboard manufacturers. The thirty-five union shops employing members of the Pattern Makers Union and the forty firms dealing with the Polishers' Union sign individual agreements.⁸

The labor organizations active in the metal trades are associated together in the Metal Trades Council, a representative body of thirty-three affiliated local unions. Whatever may have been the hope in the creation of such a central body, the individual unions function quite independently save in occasional instances. Delegates to the Council meet once a month to discuss matters of general interest to the metal-trades workers, but the Council's function is largely advisory. The Council had been able to negotiate two agreements for the unions associated with it in 1929, but the theory of presenting a united front of all the metal-trades unions has gone no farther toward practical realization. Some co-operation between the affiliated locals in organization campaigns has been manifested, but without noteworthy results.⁹

Several of the local unions affiliated with the Metal Trades Council are not treated as metal-trades organizations according to the classification followed here. The International Brotherhood

⁸Statements to the writer by a business representative of Polishers Local 6 and by a business representative of the Pattern Makers' Union. To avoid confusion, the term "union" is used when referring to the Pattern Makers' Association in place of its official name.

⁹Interviews with officials of the Council, November 2, 1928, and July 24, 1930. See also Proceedings of the Convention of the Metal Trades Department (1929), p. 65; Federation News, January 4, 1930, p. 13.

of Blacksmiths, Drop Forgers, and Helpers of America, an organization composed largely of railroad shopmen,¹⁰ has four local unions affiliated with the Chicago Metal Trades Council, and since a large part of the membership of these locals have been found to be working for the Chicago Street Railway System,¹¹ they are classified in this study as part of the local transportation group. The same is true of two local unions of Hod Carriers, Locals 562 and 666, composed of laborers engaged in construction work for the Chicago Surface Lines.¹² Local 399 of the Steam and Operating Engineers, although affiliated with the Council, has most of its members employed in commercial plants not engaged in manufacture of machinery or metal products. The Steamfitters' Union, Local 597, also affiliated with the Council, has only a few members employed in industrial establishments. The Membership of the Technical Engineers Local 14 has been found to be largely employed by the Board of Education, and the organization is therefore treated as one of public servants. The remaining organizations affiliated with the Metal Trades Council and the Membership of these unions in 1929 are listed in Table XI.

TABLE XI*

Membership of Chicago Metal-Trades Unions, 1929

Electrical Workers (Shopmen's Local 713).....	1,400
Machinists (District Lodge 8; 12 locals).....	4,017
Machinists (Local 1528, Auto Mechanics).....	500
Molders (Stove Local 23).....	132
Molders (Locals 233 and 275).....	750
Pattern Makers' Association.....	500
Metal Polishers Local 6.....	525
Metal Polishers 175 (not affiliated with Council)	20
Painters (Auto Local 396).....	280
Sheet Metal Workers (Shopmen's Local 115).....	800
Total	8,924

¹⁰Interview with an official of the International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, November 21, 1927. This organization is hereafter referred to as I.B.of B.D.F.& H.

¹¹Interview with a business representative of District Council 1 of I.B. of B.D.F.& H., January, 1928.

¹²Letter to writer from an official of the Hod Carriers and Common Laborers (H.C.& C.L.) Locals 562 and 666, May 4, 1930.

*Official reports for Locals 233 and 275 of the Molders are not available for 1929. The foregoing estimate is based upon per capita tax payments to the International Union, upon information obtained from former officials of these locals, and from the secretary of the Chicago Foundrymen's Association. It is believed to be a liberal representation of the membership of these locals in 1929.

The figure for the District Lodge of Machinists does not include the membership of Local Lodge 126, since this is the construction local.

The Pullman local of the Metal Polishers, 175, is included in this list, although not affiliated with the Council.

No official information is available on the Vehicle Woodworkers (Carpenters 1799) and the two Federal Unions of Tire and Rubber Workers (17725 and 17859), which are also affiliated with the Metal Trades Council. From general information they are known to be relatively small organizations, and their combined membership probably does not exceed 100. The two unions of tire workers had control of sixty-two small tire repair shops in the city, and eleven in the nearby suburbs in August, 1928. See Federation News, August 4, 1928, p. 13. The Vehicle Woodworkers and the Tire Workers were taken into the Council because it was felt desirable to associate the workers in all branches of the automobile industry, although these workers are not strictly metal tradesmen.

Mention should be made of several smaller organizations, not affiliated with the Council, which might properly be classified as belonging to the metal-trades group. The Amalgamated Association of Iron, Steel and Tin Workers, which has jurisdiction over the manufacture of semifinished steel and iron products, has two locals (25 and 53) in Chicago. These two have a combined membership of about 125. Since their entire membership work under district agreements made with two railroads, a study of their employment relations does not come within the scope of the present undertaking. Interview with secretary, Local 25, January 27, 1929.

A local of the International Jewelry Workers, 4, claims a membership of 200, but only 18 of these work under a collective agreement, with one establishment. Interview with secretary, June 4, 1930.

A Federal Union of Auto Wreckers, 17915, holds a charter from the A.F. of L., but is apparently of little significance. It does not seem ever to have paid any per capita tax to either the city or state federations, and no direct information is available about it.

Several additional unions, sometimes treated as metal-trades organizations, are classified differently in the present study. Five national organizations are affiliated with the Metal Trades Department of the A.F. of L., which either have no locals in the city or whose Chicago locals are not affiliated with the Metal Trades Council. The International Brotherhood of Foundry Employees and the Stove Mounters' International Union are in the first class. The seven Chicago locals of Boiler Makers, the four locals of

Bridge and Iron Workers, and the Stationary Firemen and Oilers 7, are not properly classified as metal-trade unions, although their parent organizations are affiliated with the Metal Trades Department.¹³

If there are included in the metal and machinery group only such factory workers as are engaged in the manufacture of metal products, excluding those assembling and installing machinery in buildings and the workers in the railroad repair shops, and if due allowance is made for such small organizations for which no specific data are available (see note to Table XI), it is then found that the total number of unionized workers in this group in 1929 did not exceed 10,000. The total number of wage-earners engaged in the various branches of the metal-manufacturing industries in Chicago was 100,791 in 1927, according to the Census of Manufactures for that year.¹⁴ The use of this figure, which is most favorable to the labor groups, in comparison with the union membership would place the extent of organization for collective bargaining in the Chicago metal trades as just under 10 per cent.

A more satisfactory index of the degree of control exercised by the unions may be constructed by gleaning from the occupational data for 1930 the figures indicating the number of workers who were to be found within the limits of the jurisdictional claims of the

¹³See U.S. Bureau of Labor Statistics, Bull. 506. One of the Boiler Makers' local unions is composed largely of building-construction workers; the others are active in the railroad shops. The Bridge and Iron Workers are all engaged in building construction, and the Firemen and Oilers are practically all employed by some one or another branch of the municipal government, and hence are classified as public servants.

¹⁴"Statistics for Cities." It should be noted that the Census of Manufactures, in failing to include the small establishments with annual value of product of less than \$5,000 and more especially in omitting consideration of the numerous shops engaged in automobile-repairing, leaves out of account many of the workers within the jurisdictional claims of the metal-trades unions. The data for the 1929 Census of Manufactures had not yet been classified by cities as late as July, 1932.

metal-trades organizations. This process yields 141,875 employed workers as affiliated with the various branches of metal-products manufacturing in the early part of 1930.¹⁵ On this basis the reported union-membership figure of 8,924 for 1929 represents only slightly more than 6 per cent of the employed labor force.

II. The Collective Agreement in the Metal Trades

If one thinks in terms of technical contracts, the agreements in the metal trades would at first sight give the impression of being unilateral in character. Most of the provisions are concerned with obligations imposed upon the employers. Nevertheless, in all of them some obligation is either implied or expressly recognized by the union. All the labor organizations maintain offices which furnish employment bureau service to the employer, and whether or not provision is made in the agreement for it, none of the unions would in practice deny this as their responsibility.

Although there is no standard pattern for the collective agreements in the organized metal-products manufacturing industry, the agreements, with one outstanding exception (that between the Electrical Workers' Local 713 and the Automatic Electric Co.),¹⁶ are very similar in character. All of them are written save for the Molders' agreement, which has been a verbal understanding between the union and the Chicago Foundrymen's Association since 1924. All the agreements provide for the closed shop and the forty-four-hour week. The practice of making annual agreements is followed by all the organizations except the Sheet Metal Workers¹⁷ and the

¹⁵Census (1930).

¹⁶This agreement is treated as a special case later.

¹⁷A copy of the Sheet Metal Workers' agreement has not been available. The statements regarding it are based upon an interview with a business agent of Local 115, November 21, 1927, and upon interviews with employers.

Machinists. The Sheet Metal Workers have followed a policy of making three- to five-year agreements, and usually try to avoid having them expire during the year of a presidential election. The Machinists' agreements were formerly for one year, but the agreement made in May, 1927, extended through to April, 1930, when it was renewed with the minor change that apprentices should be required to attend school one day a week instead of one day every two weeks as before.

Except for those of the Auto Painters and the Sheet Metal Workers 115, the agreements all make specific provision for some form of conciliation between the union representative and the employer before the calling of a strike. The omission in these two cases, however, probably means little in practice. The agreement of the Metal Polishers goes a step farther than the rest by insertion of this provision:

In case no settlement can be arrived at (i.e., between the representatives of the union and the employer) then the party of the first part and the party of the second part shall each appoint two arbitrators, and the four so appointed shall select a fifth, and the five to act as a board of arbitration to whom the matter in dispute shall be submitted and whose decision shall be final and binding on both parties to this agreement.

As will be seen later, however, this clause has failed to protect the parties from interrupted production at times when such protection has been most needed.

Save for specific apprenticeship regulations, the employer is left free to determine the number of men he shall use under the terms of all the agreements, except that the agreements of the Electrical Workers and the Machinists contain clauses looking toward the equalization of work in times of depression. The Electrical Workers make the specific arrangement that "in time of slack work....the permit men shall be the first to go." If the working force is to be reduced still more, workers of less than one year's

standing shall be dismissed next in order, and finally if still further reduction is required, "lay-offs shall be distributed equally" among the remaining employees. The Machinists' provision that "in times of depression in the trade the hours shall be shortened all that is necessary to keep the normal force employed" is less specific, but has the same end in view. None of the other agreements contains any express provision designed to distribute the burden of unemployment.

None of the metal-trades unions contemplates piece rates as the regular method of wage payment, but the Electrical Workers and the Metal Polishers have permitted piece rates in some establishments. The highest basic union scale in effect in 1929 was that for the Pattern Makers at \$1.35 per hour. The Sheet Metal Workers came next in line with \$1.25. The Metal Polishers and Electrical Workers had established scales of \$1.10 and \$1.15, respectively, while the Machinists, Molders, and Auto Painters were forced to content themselves with \$1.00 per hour.¹⁸ Several other classifications were also inserted in the Machinists' agreement, which provided that the \$1.00-per-hour rate should be effective for all-round machinists and screw-machine hands. Screw-machine tool setters and tool and die makers were awarded a higher rate of \$1.13 per hour, while specialists¹⁹ were granted \$0.72 and helpers \$0.63.

¹⁸The Sheet Metal Workers and the Electrical Workers had some special agreements providing for deviation from these rates, while the same is true for those Polishers' agreements where piecework is permitted. The rates quoted above are those applying to the majority of members of these unions, save for the Electrical Workers, whose most important agreement is analyzed separately.

¹⁹"A 'specialist' is a person who is employed in some branch or subdivision of the machinists' trade, or a person who performs some line of work commonly recognized as work connected with the machinists' trade or the metal industry which requires less training, experience and skill than that necessary to qualify one as a machinist...." (Machinists' Agreement, May, 1930).

Similarly, the Auto Painters' agreement provides special rates of \$1.25 per hour for stripers and \$0.85 per hour for rough-body men. Provisions were made by all the organizations, either in agreement or by supplementary understanding, for special rates for apprentices.

The Machinists' agreement with the Chicago Manufacturers' Association differs from that union's agreements with the independent employers only in that it inserts the following provision, designed to facilitate readjustments and renewals:

It is further agreed that future wage scales shall be based upon conditions such as cost of production, prospective business, and the cost of living, in relation to the same factors as of May 1, 1927, said future wage scales to be reckoned from a base of one dollar (\$1.00) per hour. During the life of this agreement, the standing committees of both parties shall hold quarterly meetings for the purpose of discussing data compiled by them, and any other matters relevant to this agreement which would tend to effect a more harmonious relation between the two groups.

In addition to the agreements summarized above, Local 713 of the Electrical Workers has an agreement covering workers engaged in the manufacture of telephone equipment. This elaborate agreement with the Automatic Electric Company is unique in the telephone industry, and so merits special attention. In providing for the closed shop, the forty-four-hour week, and the payment for time and a half for overtime it follows the other agreements of the metal-trades workers. In setting up a detailed classification of work and in providing for payment on a piecework basis, it departs from the conventional practice. The work in eighteen separate and distinct departments of the plant and certain classes of general work not confined to any particular department are recognized as coming within the scope of the agreement.

The basic scale for trained workers effective in 1929 was \$0.47 per hour for men and \$0.40 per hour for women. In the men's departments, the work was divided into four classes, A, B, C, and

D, and paid for at the rate of \$0.92, \$0.70, \$0.56, and \$0.47 per hour. In the women's department, the work was divided into two classes, A and B, and experienced Class A operators receive \$0.44 and Class B operators \$0.40 per hour. Each individual process in the various departments was classified and paid for according to the foregoing schedules. Since, however, almost all of the work was done by the piece, this schedule merely furnished the basis for the fixing of piece rates. The actual earnings will vary from the foregoing schedule because of the payment of certain bonus rates. The agreement made specific the amount of these bonus payments by stating:

All bonus rates are to be set so that a skilled operator can make at least twenty per cent over the hourly rates specified in this agreement. When an earning of twenty per cent cannot be shown, rates shall be adjusted accordingly. On all experimental jobs and repair jobs, where no rate is established, twenty-five per cent over the regular day rate shall be paid.

Protection of the closed shop was afforded through article 8, which required the company to hire all men through the union office, with permission for outside hiring and granting of permit in the event the union was unable to supply workers when needed. The differentials in the rates for men and women were in a measure sheltered by the provision that transference "to the women's department of work which the male members of Local 713 have already done, must be agreed to by the business agent and shop committee." In order that the piece rates once made might not be tampered with by the introduction of some slight variations in the method of manufacture, article 15 was inserted. It reads:

It is further understood that when it becomes necessary for the party of the first part to change the method of manufacture of any standard job or jobs, that no change in the average hourly earnings be made of the workmen affected on that part of the work the workmen perform under the new method when compared with the old.

Or in other words, if the amount of work under the new method is exactly the same as under the present method, no change in the

price per 1000 pieces is to be made, but if the amount of work under the new method is decreased or increased, the price per 1000 pieces is to be decreased or increased directly in proportion.

For flexibility and for protection of the employer, in the event that important changes were made, the condition that the foregoing article was inapplicable to new or redesigned products was added.

In common with the other agreements in the metal-products manufacturing industry, provision was made for the settlement of disputes by conciliation between union representatives (and a shop committee), on one hand, and the employer, on the other. In the event that settlement was not arrived at by this method, the agreement arranged for the appointment of two outside parties by either side, and for the selection of a fifth by these appointees. These five individuals then had the power to render a final decision binding upon both parties.

Viewed in contrast with the other union agreements in the Chicago metal trades, the Electrical Workers' agreement with the Automatic Electric Company is distinguished by its comprehensive and minute classification of work, by its recognition of piece rates, and by its provisions for the safeguarding of those rates. The other agreements can be summarized as establishing the closed shop; specifying minimum hourly wage rates, and the eight-hour day; and as providing some simple machinery for the settlement of disputes.

III. Operation of the Agreements

Turning from a description of the terms established by collective bargaining to an interpretation of the relations under the agreements, one finds it difficult to make generalizations that are valid for all the organizations of metal-trades workers. However, investigation has revealed that the unionized metal-products industry can be divided into two rather distinct sections: the man-

ufacturers of patterns and castings comprising one of these sections, the other being made up of the machinery and electrical-equipment manufacturers. The division just made is not an arbitrary one, but is based upon the nature of manufacturers' costs and markets in these two sections of the industry. In all the subsequent discussion this division is followed as essential to an understanding of the labor relations in the two sections. Following out this plan of attack, attention is first turned to a consideration of the operation of the agreements of the Molders and Pattern Makers.

The work of the pattern maker constitutes the first step in the process of manufacturing cast metal products after the design of the product has been made. The trade consists of the making of models of the desired product, usually of wood, although metal is sometimes used, to conform to the specifications of the engineers or draftsmen. Usually the pattern maker has a drawing to work from, although in some cases he may have to execute important details from verbal instructions and so becomes something of a designer himself.

The molder takes the work of the pattern maker and carries the process one step farther toward the completion of the finished metal product. He imbeds the pattern in a mixture of a sand and binder; then draws the pattern out, leaving its imprint in the sand, and, after baking, pours molten metal into this sand mold, which metal when hardened becomes the casting. The mold is then broken up and the casting cleaned and finished by grinding or polishing.

Usually a pattern is unique and a large number of castings may be made from it. This simple fact is the real explanation for certain very important differences between the manner of organization of pattern manufacturing and of the foundry industry. Patterns are made in two distinct types of establishments. First, there are the

so-called "jobbing" shops, which specialize in the making of original patterns for foundries that do not operate their own pattern shops. Second, there are those pattern shops maintained in connection with the foundries and machine factories. Only in a few cases are the manufacturing establishments of this latter group so large, and the type of product manufactured by them subject to such frequent changes, as to make it profitable for the pattern shops attached to engage exclusively or even at all in the making of new patterns. In most instances these manufacturer's pattern shops will devote a large proportion of their energy to repairing or making minor changes in old models. Hence most of the new models are made in the "jobbing" shops, although this distinction should not be regarded as absolute. A few large concerns manufacture a line of products so extensive and varied that all their new patterns will be made in their own shops.²⁰

A similar division is to be made between the "jobbing" and "manufacturing" foundries. Among the foundries, however, exactly the reverse condition prevails. The jobbing foundries are those which undertake special-order work, which largely consists of repairing old castings or making replacements of single parts of old machinery. The manufacturer's foundries, on the other hand, are engaged in making large numbers of standardized new castings either for assembly in their own machine shops or for outside machine manufacturers who buy parts from them. It is within the former group of jobbing establishments that all the members of the Chicago Foundrymen's Association will be found.²¹

²⁰Outstanding examples in the Chicago market of manufacturing firms that maintain their own shops for the making of original patterns are the Crane Co. and the International Harvester Co. An official of the union estimated that the Harvester Co. employed 125 pattern makers and the Crane Co. 90, in 1928.

²¹One member of the C.F.A. should perhaps be excepted, since it does a considerable amount of manufacturing of new parts. This statement was qualified to this extent, by one of the former members of the Association.

In general it may be said that the jobbers in the pattern shops make most of the new patterns, while the jobbing foundries mainly confine their attention to repair work. The unions find their strongest footing in the jobbing shops in both lines of undertaking.

Since 1920 there has been no breach in the bargaining relations between the Molders' Union and the Chicago Foundrymen's Association. The Pattern Makers' Union, however, staged an important strike against a number of jobbing shops in 1925, but since that time, except for isolated cases, there has been no disturbance of the peaceful relations between the employers and the union.

If attention is centered for the moment upon the consideration of the union wage scales, it appears that the 1929-30 molders' rate had remained the same (\$1.00 per hour) since 1923, while the \$1.35 scale for the union pattern makers had prevailed only since 1925.²² The \$1.00 rate for the Molders' Union was exceeded only in 1919, when a strike pushed the rate to \$1.15, where it remained throughout 1920. Revisions of the agreement brought the hourly scale down to \$0.75 by 1922, but in the following year it was advanced to its 1929 level. This rate, although somewhat higher than the rate that seems to have prevailed for apparently comparable workers in open shops, does not represent a wide differential.²³ Even this differential might possibly lose its significance upon closer comparison of the work done by union and non-union workers. During at least a part of the period between 1923-30, it is clear that the employers did not feel the pressure of the union scale, for some of them

²²Interviews with a business representative, Chicago Molders' Conference Board, November 14, 1927; secretary of Chicago Foundrymen's Association, June, 1930; and an official of the Pattern Makers' Union, July 23, 1930.

²³An employer representative widely conversant with the practice in non-union shops reported to the writer that floor molders were being paid \$0.90 to \$0.92 per hour in open shops in 1927, and again in 1929.

were paying premium wages as high as \$1.12 $\frac{1}{2}$ per hour.²⁴

Although the Chicago rates have been somewhat higher than the union scale in other cities,²⁵ there is evidence to indicate that this differential has been in part offset by higher efficiency. A former member of the Chicago Foundrymen's Association told the writer that he had often had molders transferring from other cities say to him that although Chicago employers in union shops paid more than employers in other cities, "they work us harder."²⁶ A representative of one of the large non-union foundries performing some work comparable with that done by the members of the C.F.A. frankly admitted that he believed wages paid molders in Chicago were too low, even though he said in many cases his firm paid the union scale or more.²⁷ Although some evidence has been obtained which indicates that the Chicago foundries have been handicapped in their competition with other cities, the cases of this sort do not appear strong enough to conclude that the union demands have imposed an unreasonable burden upon the jobbing foundries.

For the Pattern Makers' scale a similar situation prevails. Even the employers who exhibit hostility to the union do not allege that the wage rates have generally been too high. A few cases have been found where the employers have apparently had as the sole reason for their failure to deal with the union the fact that they considered the union scale unreasonable. There appears to have

²⁴U.S. Bureau of Labor Statistics, Bull. 388, p. 163, reported that 7 per cent of the Chicago Union Membership were receiving premium wages ranging from \$8.25 to \$9.00 per day in May, 1924.

²⁵Of seventy-three cities having union scales in 1928, only six reported higher rates than Chicago. New York, Brooklyn, and Jersey City were at the head of the list with scales of \$8.50 for an eight-hour day. Alliance, Ohio; Pittsburgh; and Sharon, Pa., were next in line with \$8.10, while Chicago was the only other city with a rate as high as \$8.00. Eight other cities easily within competitive range of Chicago had scales as low or lower than \$7.60. (Data furnished the writer by courtesy of the secretary of the Chicago Foundrymen's Association.)

²⁶Interview with an employment manager formerly of a Chicago foundry company, April 13, 1928.

²⁷Interview, April 17, 1928.

been only one case in which the employers have voiced a general dissatisfaction because of the wage demands of the union. This case is important enough to warrant some detailed attention.

Prior to 1921 there was no permanent organization of the pattern jobbing shops of Chicago. In that year, in order to "solve the labor problem of the industry," a number of firms banded together under the name of the Pattern Manufacturers' Association of Chicago.²⁸

Pattern making, being among the early steps in machine manufacturing, is one of the first trades to feel the downward swing of the business cycle. Hence, even by the latter part of 1920, the Chicago pattern manufacturers began to grow restive under the high wage rates established during more active times. Had there been no other factor than business depression to consider, some wage concessions might have been made without the jobbers' association being formed to fight the union. But there were other matters brewing within the union which made such concessions difficult to obtain.

For two decades prior to 1921 the dominating personality among the unionized pattern makers of Chicago was one Mr. X. Whatever else has been said of him, it is generally admitted that as business agent of the union he maintained a firm control over the organization. In 1909 he was instrumental in founding the American Pattern and Model Company, a corporation financed by the membership of the union for the purpose of operating a large pattern shop as a bargaining lever against the employers.²⁹ For eleven

²⁸Hereafter referred to as the P.M.A. The reader must not be misled by the name of this organization. Although called a manufacturers' association, it has always been composed entirely of pattern jobbing shops. This rather general statement of the purpose of the employers' association was furnished the writer by the secretary of the Association, interview of October 29, 1928.

²⁹See F. C. Deibler, "The Pattern Makers' Local Agreements in Chicago," Annals, LXIX, 203-13; reprinted in Trade Unionism and Labor Problems (2d ser., 1917), pp. 494 ff. (Note continued on next page)

years the union members held stock in this corporation without receiving any dividends. It may have been a factor in maintaining wage rates, although even this is doubtful in view of evidence that now appears. At any rate, by 1921 by one method or another Mr. X had obtained control of a substantial portion of the stock of the company.³⁰ It then became evident that an assessment on the stock would be required in order to maintain the corporation. The union officials realized that they could hardly advocate a downward readjustment of wage rates and demand the extra assessment at the same time. They chose to demand the assessment and to resist the employers in their request for wage adjustment.

This decision was not an altogether happy one for the union. When the issue was brought to a vote, Mr. X, for the first time, found himself unable to hold his membership in line. The men voted to oust him as business agent, refused to pay the assessment, relinquished thereby their last shred of control over their corporation, and although no formal agreement with the employers was made, many of the men began to accept less than the old union scale of wages.

The employment office of the newly formed P.M.A. continued to hire "men from the street" without reference to membership in the

Recent developments indicate that Professor Deibler overemphasized the bargaining significance of the American Pattern and Model Co. It is now apparent that the company was largely a personal venture.

³⁰The details of this manipulation have been carefully checked, not only through the present officials of the union, but also through information gained from men closely associated with the former union management. A former organizer for the union stated explicitly to the writer the way in which the control of the corporation was shifted into the hands of X. "If X wanted something, he usually got it. When a member was holding stock and was out of work, X saw to it that he didn't get work. When the man had hung around the office for several weeks, he would suggest, 'Why don't you sell your shares? You're not getting anything from them now.' He might then offer him \$25 a share for it (par \$50), and since the man needed money, he was usually willing to sell."

union, although many of the men hired were probably union-card holders.³¹ It was four years before the new administration of the union felt secure enough to call a strike against the P.M.A. shops. During this period the union scale was of little significance since many of the employers hired men without reference to it. Although the Chicago union was granted sanction by the National League to strike for an increase in wages in all the jobbing shops in 1923, the union contented itself by accepting increases from some individual shops, and no effort was made to force these concessions from the market as a whole.³²

The time for the showdown with the P.M.A. was well chosen. The strike, being sanctioned by the League on April 4, 1925, was not called by the local officials until July 6, by which time the pattern jobbing shops of the city were all well stocked with orders.³³ The wage question was distinctly a subsidiary issue, the principal one being whether the employers were to be permitted to continue to hire union men through the office of the P.M.A. This clash indicated that the employers' association signified to most of its own membership little more than a protest against the arbitrary attitude of the union officials which circumstances had temporarily forced upon them in 1921. After a struggle of nineteen weeks, which the employers concede was well managed by the union, most of the jobbers had deserted the P.M.A. and were hiring their men through the office of the union.³⁴ Not even the remaining members of the

³¹Interview with an official of the P.M.A., November 6, 1928.

³²See "Report of Executive Board of the League," Pattern Makers' Journal, July, 1926.

³³Op. cit.; also ibid., December, 1925.

³⁴The proportions of this struggle should be mentioned. Although at the outset there were only eleven firms that adhered to the P.M.A., they employed fifty-five men, or over 20 per cent of the workers in Chicago jobbing shops at that time (Pattern Makers' Journal, July, 1926, and interview with a union official in November, 1928). One of the former members of the P.M.A. told the writer that he doubted whether the Association had four members that (note continued on next page)

P.M.A. seem disposed to maintain that the wage demands of the union since 1920 have been unreasonable.

If the signs have been read correctly, therefore, the foregoing discussion should set forth the conclusion that neither the jobbing foundries nor pattern shops of Chicago have felt any serious pressure from union wage rates.

Neither the Pattern Makers nor the union Molders (except by national agreement in the stove industry) have permitted payment by the piece, but the employer representatives do not seem to regard this as a serious hardship. The fact that the members of both trades are engaged upon work which cannot be standardized would make the administration of a piece-rate system of wage payment extremely difficult.³⁵

None of the union employers interviewed has charged the unions with any serious concerted restriction of output, but some such complaints have been made by employers who have had experience with union labor and who do not now deal with the union. In one foundry operating with ninety-three union molders and coremakers, a "peak" tonnage was reached in October, 1919. This same foundry was operated as an open shop in October, 1928, with only fifty-three molders and coremakers and came within a few hundred pounds of reaching the high 1919 production figure. In fairness to the union, the representative of this foundry stated that although little change had been made in the product, some changes in management and equipment

actually supported the organization at that time. From another source in June, 1930, it was reported that the secretary of the Association had undertaken to maintain a private employment agency for all the metal trades.

³⁵Although the National Constitution of the Pattern Makers' League provides an absolute prohibition upon payment by the piece or any sort of bonus system, it is significant that during a ten-year period from July, 1915, to July, 1925, while there were eleven strikes, three lockouts, and fourteen disputes of a minor character in Chicago, only one of these involved a union protest against a "premium system." This was not in a jobbing shop. See "Report of Executive Board of the League," Pattern Makers' Journal, July, 1917; ibid., July, 1926.

had been made, which prevented this case from proving that the union had imposed serious limitations on output.³⁶

There have been no instances discovered where the employer has found it difficult to discharge inefficient men. Not even a notice has been required. While the writer was interviewing one employer, two new pattern makers were called for from the union headquarters. They arrived within half an hour and were hired with the understanding that unless they were "very good" they would leave at the end of the week. Employment service of this sort could scarcely be obtained from a private agency.

As to the limitations upon the number in the trade, neither of these unions appears in recent years to have been unduly stringent in its regulations. The local Pattern Makers have required a five-year apprenticeship period, but have only recently admitted apprentices into the organization. The union has never kept a record of the number of apprentices, and while a more active interest in the matter would certainly be desirable, it does not appear that the union is entirely to blame for a scarcity of apprentices if such has existed. The union claim is:

.... The employers in the jobbing industry naturally use their apprentices to their best advantage..... They have them varnishing patterns for several years and running errands; we are endeavoring to get some arrangement with the employer where the boy will get practical experience making patterns after serving about one year.³⁷

None of the employers in the jobbing industry has denied that a rather general lack of interest in training apprentices does exist, but they justify it by saying that employers who do undertake the task seriously find the other employers (both in "manufacturing" and "jobbing") stealing apprentices away from them as soon as they are of some real value. The union admits that it has as yet been

³⁶Interview with an official of this firm, November 14, 1928.

³⁷Letter to the writer from an official of the union, November 7, 1928.

able to do nothing to stop this practice. Hence it would appear that if the union is to be criticized by the employers it is on the ground of failing to be thorough and aggressive in its organization of the market rather than in being too severe.

The Molders' Union has at least made an effort to protect the employers by the insertion of the following clause in the last of the written agreements:

Apprentices shall not be allowed to leave their employer without a good and sufficient cause, and any apprentice so leaving his place must not be allowed to start work in any other shop without the permission of the Conference Board and his former employer.

Among the foundrymen there is a general complaint of shortage of skilled molders,³⁸ but none, not even the non-union employers, are willing to place the responsibility for this fact at the door of the union, and this position seems to be fair. The Molders' apprenticeship ratio has been fixed by the constitution of the International Union since 1907 as 1 apprentice for every 5 journeymen, and 1 additional apprentice for each establishment regardless of the size of the shop. If the union rule were actually restrictive, it would be expected that the ratio of apprentices to journeymen in the open shops would be higher than the union ratio. As a matter of fact, some eighty non-union Chicago foundries for which data have been reported showed an average ratio of 1 apprentice to 7.9 journeymen in 1927. Statements of employers indicate that seldom if ever do the Chicago union foundries use their full quota of apprentices. In this matter the Chicago market cannot be regarded as a closed unit, but the indications are that a similar situation has existed in other cities as well.³⁹ Whatever the shortage in appren-

³⁸ One employer made a statement to the writer that "unless more apprentices are being trained than at present (October 26, 1928), the number of skilled molders will have dropped 60 per cent within the next fifteen years."

³⁹ Representatives of the National Foundrymen's Association have testified to this fact. Growing aware of this problem, this (note continued on next page)

tices may be due to,⁴⁰ it is not a result of the local union policies.

Nor is it possible to charge the Pattern Makers or the Molders with imposing arbitrary entrance requirements. The employers in the jobbing shops have not claimed that training periods required by either the Molders (four years) or the Pattern Makers (five years) are unduly long. The initiation fees of both organizations are low when compared with those of other trades commanding similar wage scales.⁴¹

The employers' representatives in both the foundries and jobbing pattern shops seem to feel a confidence in the union management,⁴² but it should not be assumed that the union policies have been free from criticism. This much it is justifiable to conclude: The most violent disagreement with the union policies has come not from the jobbing foundries or pattern shops, but from the larger manufacturing establishments, where with few exceptions, the unions have not been able to maintain control. In general, making allowance for the usual friction generated in industrial relations, the Chicago jobbing foundries and pattern shops have been content to rely upon the unions, if not always willingly, at least with good grace.

organization has diverted much of its attention from spreading its open-shop doctrine to the question of training apprentices, with considerable success. A similar shortage of apprentices was found in Philadelphia. See A. H. Williams, Adequacy of Existing Programs of Training Journeymen Molders in Iron and Steel in Philadelphia (1924).

⁴⁰Some employers attribute the shortage in molder apprentices to one or the other of the following factors: (1) restrictions in the number of newly arrived immigrants by federal law; (2) the introduction of machinery, greatly reducing the time required for training (interviews with two prominent employers in the foundry industry).

While an analysis of the reasons for this shortage are not a part of the present undertaking, it is worth while to point out that the second explanation given above is of little significance to the jobbing foundries, which find molding machines unprofitable.

⁴¹The initiation fee of the Molders was (1930) \$5 and that of the Pattern Makers \$15.

⁴²Interviews with three union employers and secretary of the Chicago Foundrymen's Association.

Shifting attention to the industrial relations prevailing under collective bargaining in the machinery and electrical-equipment industries, one meets a sharply contrasting scene. Here the Machinists, Electrical Workers, Sheet Metal Workers, and Metal Polishers are active. The field of operation of the first two is rather clearly marked, as their names suggest, while the Sheet Metal Workers and Metal Polishers find their activities divided between the machinery and electrical-equipment industries.⁴³ These generalizations simplify rather than accurately describe the industrial location of the unions.

Among the first conclusions of fact that can be drawn is that so far as the Machinists' agreements with the C.M.A. are concerned, they have in general been regarded as valid contracts by both parties. Even those employers working under agreements who may admit, as several of them have, that they do not like to deal with the union and would not do it if it could be avoided, have never charged the union with any violation of the agreements.⁴⁴ The union gives the employers an equally clean bill of health.⁴⁵

For the eleven years that the collective bargaining arrangements between the union and the C.M.A. have been in operation, there have been minor disputes, but no serious interruption of the "friendly relations" between the two groups.⁴⁶ This alone is a record

⁴³Because the leading unionized hotel- and restaurant-equipment houses are affiliated with the machinery manufactures in the C.M.A., they are referred to as a part of the machinery-manufacturing industry. It is in the making of hotel and restaurant equipment as well as in the sign and switchboard branches of the electrical-equipment industry that the Sheet Metal Workers play a prominent rôle. The locals of Auto Painters and Mechanics are active in a number of the smaller garages and repair shops, and cannot be placed in either of the foregoing groups.

⁴⁴Interview with an employer, July 23, 1930, and July 25, 1930.

⁴⁵Interview with an official of the Machinists' Union, November 16, 1927.

⁴⁶"Friendly relations" is a term which one must understand when talking with union officials. It does not always mean what it says. What it often means is that the "parties put up with each other."

that is worthy of no small amount of credit to both parties.

Nevertheless, it cannot be said that the still waters of the surface have completely disguised the cross-currents underneath. No provision for outside arbitration has been made in any of the agreements, nor does either of the parties regard such intervention as desirable. Whatever disputes have arisen, the parties have preferred to settle in conference, and this method has succeeded well enough to bring about mutual assent, although it cannot be said that both parties have always had matters settled to their entire satisfaction.

Among the union requirements that have been objected to by some employers is the provision that no machinist shall be allowed to operate more than one machine. The union contention in regard to the matter has been that this rule is necessary to protect the health of the worker, and there appears to be some validity in this contention. In spite of its justification in some cases, the general application of the rule has imposed limitations upon production which it does not seem possible to disregard. This charge is mitigated to a degree when one observes that most of the employers of union machinists in Chicago are not engaged in such work as would permit them to profit from a repeal of this rule.⁴⁷

Objections have also been voiced to the clause of the Machinists' agreement which provides for the shortening of hours in times of depression,⁴⁸ "in order to keep the normal force employed." It has been claimed, with some justice, that the strict application of this rule would unfavorably react against the employers' competitive position, first by raising overhead costs per unit, and second by preventing the employer from exercising the privilege, al-

⁴⁷Interviews with three union employers, November 7, 1928.

⁴⁸Interview with an employer.

most universally practiced in dull times, of selecting his employees more carefully and penalizing inefficiency more severely than in times of "boom." While there is evidence to show that at least a partial adherence to the rule has been practiced,⁴⁹ there are also indications that the union has found it either undesirable or impossible to apply the rule rigidly.⁵⁰ Employers have told the writer that the union never has required them to retain men whom they have found to be "unsatisfactory," so that the charge that the employer's freedom of selection is interfered with loses much of its meaning. It is likely that the operation of the rule does result in a less economical distribution of overhead than might be possible if full discretion were granted the employer. This claim the union would doubtless answer by saying that the employer should share the burden of depression with his workmen rather than strive to shift the entire burden upon them; to which there is the final rebuttal that competition may make such an ethical ideal impossible of realization.

In view of the recently reported experiments in "union-management co-operation,"⁵¹ some of the available evidence of the influence of the Chicago metal-trades unions upon industrial efficiency

⁴⁹A scant amount of evidence on this point is available, but it points in the direction that the rule has at least had some meaning. In May, 1930, both the organizations of Molders reported to the writer over 60 per cent of their membership as wholly unemployed, while the corresponding figure for the Polishers was 40 per cent. It will be remembered that neither of these organizations has any requirement as to equalization of lay-offs. The Electrical Workers and the Machinists, both of whom do have such requirements, reported in the same month only 10 and 8 per cent, respectively, as wholly unemployed. It is obvious that there are numerous other possible explanations for this, but it seems likely that union rules may have accounted for some of this striking difference between these organizations.

⁵⁰One employer, whose firm employed about 120 machinists in 1928, stated that his firm distributed its lay-offs almost entirely at its own discretion, and that the union never made any attempt to interfere.

⁵¹See Chicago Daily News, July 31, 1930, for an announcement of the adoption of the E.&O. plan in the Chicago market by the Yeomans Brothers Pump Co. See also Federation News, August 9, 1930, p.18; Monthly Labor Review, April, 1931, p.78.

is worthy of attention. Present employers of union polishers, sheet-metal workers, and machinists all tend to view the claim that co-operation with the union may increase efficiency with sincere skepticism. Even those who have refused to charge the unions with placing serious limitations on efficiency of the workers have denied that the unions have exerted any positive influence toward increased production. One employer of sheet-metal workers frankly stated: "Our men give us the best they have got. No union restrictions have any influence. Neither does the fact that they are organized have anything to do with our getting the work out of them. Most of our men have been with us for years, and they are tried and faithful, but the union has not improved their efficiency."⁵²

Another employer, having operated a union machine shop for twenty years, upon being questioned as to whether the union had helped the management to improve the efficiency of the plant, declared: "The Machinists' Union never did anything like that, nor have they ever forced us to keep inefficient men. They tell us 'if you are not satisfied with the man we sent you, let him go and we'll send you a better one.' Sometimes he is 'better' and sometimes he is not. We just keep calling until we get a man that suits us."⁵³

Other employers claim to have met with a less fortunate experience. One employer in the hotel-equipment field complained of the fact that the union permitted "too much cunningness on the part of the men," and that unions, being political institutions, frequently protected the inefficient workman. In fairness to the union he recognized that other institutions, "even churches, are like that," but his statements indicate that he maintained that unions had lessened the productive efficiency of his plant.⁵⁴

⁵²Interview with a Chicago switchboard manufacturer, July 23, 1930.

⁵³Interview with an employer of union machinists.

⁵⁴Interview, July 25, 1930.

Charges that the union has limited output have also been made against the Metal Polishers. This union has had a number of disputes in recent years, and despite the fact that the agreements of the organization provide for outside arbitration in the event the parties cannot adjust matters alone, this clause has been of little help in the more serious cases. The government conciliation department offered its services in the two most serious and prolonged disputes of recent years, that with the Advance Pattern and Foundry Company and that with the Chicago Flexible Shaft Company, but was unable to bring about an adjustment between either of these companies and the union.⁵⁵ Strikes against both of the companies were lost. In the latter case at least one of the causes for the dispute was the introduction of an "efficiency system" by the management. In the Chicago Flexible Shaft case the main issue was presumably the protection of the union scale. The following specific statement from the company will indicate that there were also other sources of discontent:

In our polishing department the sixty-odd men while on piecework basis (this union has permitted although it hasn't encouraged piecework) would end every week not having over six cents' difference in their pay envelopes. You are aware that it is impossible for sixty men to work side by side, and at the end of the week come so close on a piecework basis. Time and again it has been determined that all these polishers and comb pointers were working down to the level of the poorest man in the department and were encouraged to do so.⁵⁶

To all of these charges that the union has failed to assist

⁵⁵The only statement that it has been possible to obtain from the management of this company is "the matter has been settled to our satisfaction and to the satisfaction of our men" (interview with employment manager of the Advance Pattern and Foundry Co., July 23, 1930).

⁵⁶A large part of the output of the Flexible Shaft Co. is sheep-shearing machinery which is sold in Australia. The quotation above is taken from a letter to the Cooper Engineering Co., the Shaft Co.'s representative in Sydney, by H. C. Wright of the Chicago Flexible Shaft Co. It was published without criticism of the foregoing charges in the Proceedings of the Convention of the Metal Trades' Department of the A.F. of L. (1927), p. 50.

and in some cases has actually hindered employers in the attainment and maintenance of high industrial efficiency, one very marked exception needs to be noted. The Electrical Workers 713 in their relations with the Automatic Electric Company have apparently been successful in protecting the membership against arbitrary cutting of piece rates, and have assisted the management in maintaining production as well. The participation of the union has not been of a very active sort, but one member of the firm was prepared to state that the union has facilitated the introduction of chain assembly methods. An efficiency expert, responsible in part for the organization of the Detroit Ford plant, had charge of the installation of this system. In view of the rather widespread revolt of labor organizations against "Taylorism," the experience of this company is noteworthy. The employers have credited the union with ability to keep itself free in recent years from the manipulations of unscrupulous and "radical" labor leaders. 57

None of the other metal-trades unions appears to have exerted any positive influence toward increasing the efficiency of the workers. While it is true that the Machinists' Union has recently undertaken to co-operate actively in the management of the Yeomans Brothers Pump Company with the view of increasing efficiency and stabilizing employment, this venture has only begun, and it is still too early to make any predictions as to its possible future. In any case, the experiment is of minor importance since the company normally employs only about fifty men in its machine shop.

The requirement made in the 1927-30 agreement of the Machinists with the C.M.A. that the future wage scales should be "based upon conditions such as cost of production, prospective business, and the cost of living, in relation to the same factors as of

⁵⁷Interviews with three officials of the Automatic Electric Co.

May 1, 1927," has been interpreted to apply to annual wage adjustments. No effort has been made to give precise weights to the cost-of-living and to "prospective business" factors, nor has there been any special machinery for the administration of this section. The bargaining representatives of the two parties have gathered their own statistics and presented them in quarterly conferences with the result that the provision has helped to determine the character of the "higgling" process, rather than create a definite method of settling the wage rate.⁵⁸

There has been no exact adjustment of the wage rate to correspond to changes in the cost of living. Taking the basic rate of the Machinists' agreement, that applying to the all-round machinists and screw-machine hands, one finds that the union scale in 1927 stood 135 per cent above that for 1913; on May 1, 1928, it was advanced two cents per hour, bringing the index number up to 140 points above that for 1913, where it has remained until the present (1930). During the same period there have been changes in the cost of living in Chicago which have tended to raise the real hourly rate above the 1927 level. In terms of a 1913 base, the Bureau of Labor index for the cost of living in Chicago stood at 177.1 in June, 1927; sagged to 171.5 the following June; and rose again to 172.3 in June, 1929. Because of this slight downward movement of living costs, the purchasing power of the union wage scale rose from 135.5 in 1927 to 139.7 in 1929.⁵⁹ This small advantage which

⁵⁸A representative of the union made the statement "When we are to have a meeting they (the representatives of the Employers' Association) get some figures, and I hustle around and get some 'statistics' and show them that their 'statistics' are not as important as mine."

⁵⁹These calculations are made from data furnished through the courtesy of union officials and from the Bureau of Labor Statistics cost-of-living index for Chicago (see Monthly Labor Review, February, 1930, p. 256). The complete series of indexes for June of each year is as follows: (note continued on next page)

the union men have gained (making no allowance for unemployment) may easily have been offset by minor concessions tending to increase the efficiency of industry.

Comparison of the union rates with those paid by non-union plants in the city shows a rather wide differential between union and open-shop scales, but very little significance is to be attached to this fact, since there is, generally speaking, a marked difference between the type of mechanical labor used in the two classes of shops.⁶⁰ Some non-union shops are similar enough to the union establishments that such a comparison would be useful if the reliable data were available. In the absence of such figures, the attitude of the union employers is suggestive.

As one steps from the union foundries and pattern shops into unionized machine shops, there is a noticeable difference in the industrial atmosphere. Employers give the distinct impression of being less compromising than those in the pattern shops or even in the union foundries. They appear to be harder pressed, and have without exception listed as the chief complaint against the union the fact that they are compelled to pay higher wages and that the wage rates are less flexible than those the open shops recognize.⁶¹

Year	Cost of Living in Chicago	Basic Scale for All-Round Machinists	Purchasing Power of Machinists' Hourly Scale
1927...	177.1	235 (1913=100)	135.5
1928...	171.5	240	139.7
1929...	172.3	240	139.7

⁶⁰The unions claim, and most of the union employers admit, that the chances are much better of getting an all-round trained man from the union than they are if an attempt is made to hire one from the street.

⁶¹Interviews with an official of the C.M.A., February 13, 1928; also interviews with two other members of the C.M.A.

IV. Supporting and Limiting Forces

At the outset of the description of relations under the collective bargaining, a division was made between the conditions existing in the foundry and pattern shops and those in the machine shop and electrical industries. The distinction may now be examined in detail, with the purpose of interpreting the character of collective relations in the metal-trades industries. It should be apparent from the foregoing discussion that the relations subsisting between the employers and the Pattern Makers' Association as well as those between the employers and the Molders' Union are strained less frequently and less severely than those in the other unionized metal trades. This fact is perhaps less emphatic for the Molders than the Pattern Makers, but it is a fact in both cases. It is the contention of this analysis that here is a condition that is the result of more than mere personalities; that in the explanation of this fact there are to be found the fundamental forces that limit and support collective bargaining in the Chicago metal-products industries.

A factor of first importance is that the type of work performed by the pattern maker is such that the market is largely a local one. More than to anything else this is due to the influence of time. Patterns for castings are usually not made up until the castings themselves are to be produced, and there is rarely time to have them made at a distance from where they are to be used. One reason for this is to facilitate any changes in the design which may suggest themselves between the time when the original plan is made and the time when the casting is to be finished.⁶² The result is that the Chicago jobbing pattern shops confine almost their entire

⁶² One pattern jobber stated that he had had only two jobs in nine and a half years that were not rush orders (interviews with proprietors of three pattern jobbing shops).

energy to the production of patterns for the local foundries. The jobbing foundries will be found to occupy a somewhat similar position, for different reasons. Breakdowns usually occur without warning, and the replacement is urgent. Time is at a premium, and while the Chicago foundries do no small amount of work for a national market, by far the largest share of their work is for firms within a short radius of Chicago.⁶³

Still another characteristic is common to the work performed by the jobbing foundries and pattern makers: it forms a relatively small portion of the total expenditure of the buying firms. Since a pattern once made can be used for the manufacture of a large number of standardized castings, the cost of the pattern can be spread over all the castings made from it, and so forms a very small part of the total cost of the final product. Similarly, the cost of manufacture of a casting for replacement is minimized in significance, because of the fact that the failure to make such replacement may mean the necessity of writing off the total value of an already purchased machine.⁶⁴

Moreover, in neither case have any satisfactory substitutes for the hand process of manufacture been discovered. In the case of pattern manufacture directly, and indirectly in that of repair castings, every new development in machinery means an absolute increase in the demand. New machines usually mean new cast metal products, and new castings mean new patterns. Likewise, it can be demonstrated that the development of new machines means that repairs on the old ones (if the introduction of the new machines is

⁶³Interview with an employing foundryman.

⁶⁴Ultimately, of course, this replacement cost is a minor element in the cost of the product made with the machine, and so is parallel with the case in pattern making. Since the expenditure first appears to the business man as a choice of one or another type of investment, no effort is made to trace the ultimate influence upon the buyers of consumers' goods.

not too rapid) must be made "special" and cannot be replaced from a standardized stock. Here, therefore, these two branches of industry are so located technologically that the evolution of the machine process means more rather than less work. Since both patterns and repair castings are individual, the demand for them tends to be inelastic.

These three conditions: (a) a localized market, (b) the fact that the costs of the items are relatively small compared, in the case of patterns, with the cost of the final product, and in the second instance with the possible expenditure which a replacement avoids, and (c) the inelasticity of demand, taken together, form a composite which creates an ideal circumstance for the shifting on to the buying public of any additional wage rates which collective bargaining may entail.⁶⁵

Turning to the other sections of the metal-products industries, one finds that while many of them sell their products locally, this is by no means true of all of them. Of those operating strictly on the local market, many will be faced with competition from outside producers. Most of them are producing new finished products.⁶⁶ For those small union machine shops doing repair work, the situation is analogous to that found in the union foundries of the city, although on the whole it is distinctly less favorable to the shifting of wage increases on to the buying public than that existing in the cases already analyzed. The conclusion is irresistible that these marketing characteristics serve to account for the striking

⁶⁵It will be noticed that these conditions very nearly parallel those sketched by Marshall in his illustrative case. Cf. Alfred Marshall, Principles of Economics (8th ed., Macmillan, 1920), pp. 382 ff. Some of the work in pattern shops is done on a "time and materials" basis, making the shifting process very simple and direct. It is impossible to discover what proportion of the work in the jobbing shops is paid for in this way, but several pattern jobbers have stated that it is substantial.

⁶⁶Interviews with various members of the C.M.A.

differences in the relations existing under the collective agreements.

But none of these market characteristics can show why collective bargaining exists. They do help to bring forth reasons why employers are less or more resistant to wage demands, but they go no farther. In so far as the ability of the organizations to control a limited market means the ability to force up wage rates, it constitutes an appeal to workers to join the organizations. Save in a few limited and rather well-defined cases, it is to be doubted whether stable collective bargaining can be maintained on this appeal alone. Much more to the point is the fact that conditions exist which make maintenance of collective action by workers desirable to the employers.

Attempts are sometimes made to explain the existence of collective bargaining on the basis of skill, size of shops, and the total number of men employed in an industry.⁶⁷ It is submitted here that these conditions have little significance of themselves, the real influences being the more fundamental factors which these conditions usually indicate. Doubtless it is easier to create and to maintain a union in a trade which consists of a small, compact group of workers than it is in one where the workers are scattered over a large area. But it is here suggested that this result follows not only from the mechanical difficulty of unifying a scattered body of men but also from the fact that a compact working force usually indicates a rather narrowly limited market. The full significance of the factors of skill and size of shops calls for more detailed analysis.

In Section I of this chapter it was shown that the metal-prod-

⁶⁷See, for instance, Professor Deibler's analysis of the Chicago Pattern Makers already referred to.

ucts industries were, on the basis of the most liberal calculations, certainly not more than 10 per cent organized in terms of the number of workers affected by collective bargaining. A more conservative and probably more accurate estimate would place the extent of union control over the entire labor force at about 6 per cent. For individual trades, however, there is quite a different story to tell. The pattern makers show the highest percentage of organization with about 36 per cent of the craft in the union in 1929, and if the men working in the jobbing shops alone are considered, it is probable that well over 80 per cent were holders of the union card. For the molders the percentage of organization of craft is indicated by the fact that the union membership in 1929 represented about 17 per cent of all the workers which the Census of 1930 classified under the head of "Molders, Founders, and Casters." However, the most reliable estimates from those familiar with the industry indicate that at least 75 per cent of the molders in the jobbing foundries of the city are union members.

For the other metal trades no very satisfactory estimates as to the extent of union control can be made. The Machinists' Union membership of 1929 was approximately 8 per cent of those listed as gainfully employed in 1930 under the captions of "Machinists," "Tool Makers and Die Setters and Sinkers," and "Mechanics--Automobile Factories, Garages, Repair Shops, and Other Industries." While these census groupings are broad, they can hardly include all the "specialists" in the various branches of industry over which the union claims jurisdiction. The figure of 8 per cent, therefore, must be taken as a liberal estimate of the degree to which the Machinists' Union has been able to control its chosen field. Similar calculations for the Electrical Workers indicate that less than 7 per cent of the electrical-shop crafts are affili-

ated with the union, but the same qualifications as apply to the occupational data for the machinists must also be made here. Although the extensive control exercised over the manufacture of electric signs and of restaurant equipment might enable the Sheet Metal Workers' Union to show a much higher percentage of organization within its field, the character of the classification of the census data precludes any individual estimate for this group.⁶⁸

The next fact of importance to notice is the relative size of the firms found in these various branches of industry. In pattern manufacturing it is evident that the average number of employees in the jobbing shops is less than six, while the union jobbing foundries will show an average of twenty molders and coremakers.⁶⁹ In pattern manufacturing a very small amount of capital is required, while the same is true for the operation of the jobbing foundry, although to a somewhat smaller degree. This fact has a dual significance since it means first that the capital requirement is slight protection against competition in the industry, and second that the proportion of labor cost to total costs is high. For the other unionized metal-products industries the capital requirement is somewhat higher (with exceptions which will be noted later), and the item of labor cost, although high, probably does not reach the

⁶⁸The discussion above is based on data on occupations in the Census (1930). An employer who has been in close touch with the pattern-making trade for years, both as an organizer for the union and as an employer since 1921, told the writer that "if all the screw driver and hammer men" working in manufacturing plants are considered, the union never has included over 50 per cent of the trade (interview, October 29, 1928).

The Census of Manufactures (1927) reports 361 wage-earners in "model and pattern establishments," which figure takes into account substantially all the jobbing shops of the city. Allowing for growth to 1929 and apportioning three-fifths of the union membership (a conservative figure according to the union officials) to the jobbing shops yields a result of 81 per cent as representing the extent of union control over the jobbing shops.

⁶⁹Calculations based on the 1927 Census of Manufactures and on data furnished through the courtesy of the Chicago Foundrymen's Association.

proportions that it does in these two industries.⁷⁰ The real barrier to entrance to the pattern jobbing industry lies not in the capital requirement but in the skill requirement. In most of these small shops the employer works at the bench himself. This is significant not merely because, as is sometimes contended, it makes him sympathize with the workers' problems, but rather because it makes his own problems identical with those of his workmen. He is as much interested in maintaining barriers to the entrance to the trade as his workmen are. This is probably the real reason for the failure of the employers to take an active interest in the training of apprentices. It is suggestive that the only extensive program for the training of apprentices in the metal trades has been developed in the larger shops making standardized products. In such shops, protected by heavy capital requirements, the training of more skilled workers is not likely to endanger the vested interests of the established firms, but will simply tend to make for a more plentiful labor supply and so lower labor costs. It is in this way that the fact of a skill requirement has one of its most important influences for organization.

The point made above is of less significance in explaining the organization in the Chicago foundries than in the pattern shops, but it is of considerable importance in the foundries as well. In the short-order foundries doing what is called "one and two work," the proportion of labor costs to total costs is high. The technical equipment required is small.⁷¹ With the low capital requirement some device for protection of the market is desirable. The maintenance of a uniform wage rate is well adapted to this purpose. Where labor cost is a large proportion of total costs, it may be accepted as a general principle that the maintenance of a uniform

⁷⁰Statement based on interviews with various employers.

⁷¹Interviews with two employing foundrymen.

wage rate will tend to stabilize the prices charged to customers. It is significant that the employers of the pattern shops and union foundries criticize the union more severely for failing to organize some independent shops than for anything else. It is probably because collective bargaining enables established employers to maintain control against sharp price practices that it makes its strongest appeal to the employing group.⁷²

This line of approach sheds further light on the reason for the low percentage of organization in the other metal-products industries. No collective bargaining will be found among the workers in the steel mills and in the agricultural implement shops. It is permissible to explain this in part by saying that these establishments, requiring in many cases unskilled workers, can draw their labor from a more plentiful supply than is available to the smaller industrial establishments. But this is by no means the most important factor if the foregoing analysis is valid. Of much greater consequence is the fact that whatever competition exists between the various plants in these large-capital-using industries arises largely out of the presence of heavy fixed investments. Where overhead assumes the importance that it does with these producers, organization of labor can have no appeal as a stabilizing device for the industry.

It is a fact, worthy of no small emphasis, that the most determined formal resistance to the organization of labor by employing groups has come from the large metal-products manufacturing establishments. Taken merely without further analysis, this fact goes a long way to explain the almost total absence of unionism

⁷²The following statement made by a foundryman who had found it desirable to break with the union and make extensive installation of machinery in 1919 is noteworthy: "When we had our strike it was not the union representative who approached me to make a settlement, but a representative of the Foundrymen's Association."

throughout a vast range of the factory system. Both the National Founders' Association and the National Metal Trades Association, although for a short period in their history they recognized trade-unions,⁷³ for more than twenty years have worked with a missionary zeal to make the plants of their members free from labor organization. When one probes deeper and inquires into the reason for this organized resistance, it is probable that at least a part of the answer is to be found in the nature of the employers' costs and markets suggested above.

As for the possible appeal of the union to the workers in such circumstances, this too is often eliminated by the existence of large amounts of equipment for the reason that in such circumstances freedom of management is at a premium. In addition to the indifference of the employers already mentioned, there is created a positive resistance on their part to any form of interference from the outside. It is noteworthy that the non-union employers of the metal trades object more seriously to the observance of union rules, naturally worked out to apply to the shops in which the unions have the strongest footing, i.e., the small jobbing shops, than they do to the payment of union scales. So important is the economy of capital per worker to these employers that the wages paid where comparable workers are required (which is not often) may even exceed the union scale, and hence the union is robbed of its appeal

⁷³Through the courtesy of a prominent union official in the metal trades the writer has had access to rare copies of a series of agreements existing during the year 1903, between the Chicago Branch of the Metal Trades Association and the unions then affiliated with the Chicago Metal Workers' Council 1; the Metal Polishers, Buffers, Molders, Platers, Brass Molders, I.U. of N.A. District Council 1; the I.B. of Blacksmiths' District Council 1; Blacksmiths Helpers' International; and the Association of Allied Metal Mechanics. These agreements were short lived, and comprehensive collective bargaining by a number of unions with an inclusive association of employers has never since been restored in the metal trades.

to the workers. ⁷⁴

For the unionized metal machinery and electrical industries it is not probable that employers find any incentive to deal with organizations in the hope of stabilizing and protecting the industry. For this purpose other methods of control must be found. What, then, is the explanation of their acceptance of collective bargaining? The answer to this question in the case of many shops is that inertia prevents them from breaking relations with the union. Many of them were organized in an emergency situation when the employer could not well refuse recognition of the union. Once organized, the closed shop tends to perpetuate itself, because of the expense involved in transferring to the open-shop basis. One employer stated that it would probably mean cutting production 75 per cent for two years to restore non-union conditions in his establishment.⁷⁵ Only the largest establishments, to which freedom of management over capital is paramount, can afford such an undertaking. Inertia, coupled with the fact that the union has seen fit to support the management, is probably the real reason for the continuance of collective bargaining in the telephone manufacturing establishment which employs over half of the unionized shop electrical workers of Chicago.⁷⁶

Further light is shed upon the question when the types of products manufactured by the members of the C.M.A. are considered. Of the fifteen firms that are members of this association, two of them are manufacturers of printing equipment, one is a manufacturer of small pump engines, one shop is a railway-equipment house, one is engaged in the manufacture of electrical appliances, another manu-

⁷⁴Although assuming full responsibility for its application, the writer wishes to acknowledge that he is indebted to Professor F. H. Knight for this point in its general form.

⁷⁵Interview with a Chicago switchboard manufacturer.

⁷⁶Interviews with officials of the Automatic Electric Co.

factures and installs steam boilers, and the remaining members are either hotel and restaurant supply-houses or small general machine shops engaged in machinery installation and repairing.⁷⁷

The conclusion is suggested from this list that most of these houses deal with the unions because the sale of their products brings them in contact with the powerfully organized building trades of the large cities. Members of the association have been questioned on this point and have admitted this as the real reason for recognition of the union in most of the plants. The largest single employer of union machinists is a manufacturer of printing presses. This concern normally employs about one-fifth of the members of the Machinists' Union. The circumstances accompanying the Duplex case, where a boycott upon non-union presses by the Machinists and Teamsters resulted in the firm's inability to instal its product, are suggestive of the real incentive that lies back of the unionization of this shop. This establishment must make its appeal to two of the most strongly unionized craftsmen, the printers and the building trades, and it is small wonder that it chooses not to antagonize them.

A casual survey of the firms not members of the C.M.A. tells a similar story. The strongest hold of the Sheet Metal Workers is to be found in the sign-manufacturing shops, where there is very nearly 100 per cent organization. Probably in these shops the item of labor cost is large enough so that the union has somewhat the same appeal to the employers as in the pattern jobbing establishments. In addition to this fact, the union has the "co-operation" of the Sign Hangers' Union, and it has been stated that non-union signs simply cannot be hung in Cook County.⁷⁸ Most of the

⁷⁷Interview with three members of the C.M.A.

⁷⁸Interview with a business agent of the Sheet Metal Workers' Union. One representative of the union suggested the reason for control of the sign industry by saying, "A slingshot can do a lot of damage to one of them big signs."

other members of the Sheet Metal Workers' Union, Local 115, are employed by hotel and restaurant supply and soda-fountain equipment houses whose products are installed chiefly by the building-construction Sheet Metal Workers' Union in the cities.

A similar situation exists for the electrical equipment firms that are not members of the C.M.A. At one time an express prohibition existed against the installation of any non-union switchboards in Chicago.⁷⁹ Because of the violation of federal laws, this rule is no longer expressed, but there is ample evidence that it is observed tacitly in practice.⁸⁰ It is worthy of notice that the two manufacturers of switchboards in Chicago that do not deal with the unions are large concerns that market their product nationally.

The Metal Polishers find their warmest welcome in the small electrical-fixture manufacturing shops, since these products must also appeal to unionized building tradesmen.

It is fair to say, therefore, in summary, that the unions in the metal-products industries of Chicago are divided into two groups: those which derive their strength from the market and cost conditions of the establishments in which they operate, and those which are dependent for their existence upon other industrial groups. For this latter group, collective bargaining would topple like a house of cards unless it were bolstered by outside support. For the most part, this means that economic group action of workers in the metal-products industries is limited to a rather narrow fringe of establishments. It does not seem at all probable that collective bargaining of the existing type will take hold in the large-capital-using factories operating over wide markets, in a dynamic state.

⁷⁹See Montgomery, Industrial Relations in the Chicago Building Trades, pp. 204 ff.

⁸⁰Interview with employers and union officials.

CHAPTER V

THE LOCAL TRANSPORTATION EMPLOYEES

I. The Organization of the Industry

The business of meeting the local transportation requirements of a metropolitan community is one which cuts across any abstract classification of industries which may be set up. It is not an industry of itself, but rather an essential part of many industries. Nevertheless, on practical grounds the treatment of the bargaining relations of local transportation workers as a unit is justified. Some of the same forces influence the operation of all the workers' organizations; the character of the work, even though it is performed against the background of a varying industrial setting, has many similarities; and the recognition of these facts in the degree of centralization expressed by the organization of the unions makes a common treatment realistic.

The more important unions of transportation workers, as here classified, represent the second largest group of organized workers in the community. Exceeded only in their membership by the organizations of building-construction workers, the transportation unions exert a diffuse but powerful influence in the local labor market. For 1929 the workers affiliated with these unions were distributed approximately as shown in Table XII.

TABLE XII

Membership in Local Transportation Unions, 1929

	Local Membership	
The International Brotherhood of Teamsters, Chauffeurs, Stablemen and Helpers of Amer- ica (hereafter abbreviated I.B.T.):		
Commission.....	703	1,900 ^a
Oil and Trucking.....	705	3,500 ^a
Newspaper.....	706	734 ^a
Meat.....	710	600 ^b
Laundry.....	712	3,429 ^b
Furniture.....	722	400 ^c
Soda & Mineral Water.....	723	462 ^a
Bakery Goods.....	734	2,224 ^b
Grease.....	735	91 ^b
Piano.....	738	75 ^a
Milk.....	753	7,100 ^a
Film.....	755	24 ^b
Bone and Tallow.....	769	125 ^b
Coffee, Tea & Cheese.....	772	400 ^a
Kensington General.....	721	880 ^b
South Chicago General.....	742	1,000 ^a
Auto Livery.....	727	1,000 ^a
Dairy Employees.....	754	2,232 ^b
Street Railway.....	739	128 ^b
Public Service.....	733	335 ^a
Total membership in Chicago I.B.T.....	26,639	26,639
Chicago Teamsters, Chauffeurs and Helpers Union of Chicago and Vicinity ^a (here- after abbreviated C.T.U.):		
Ice.....	702	2,700
Coal.....	704	1,400
Coal Yard Laborers.....	701	2,400
Furniture, Van.....	711	1,000
Machinery.....	714	500
Ice Cream.....	717	500
Lumber.....	719	1,200
Building Materials.....	786	1,000
Roofing.....	741	200
Excavating.....	731	3,200
Florist.....	724	400
Baggage.....	725	600
Hay and Feed.....	732	100
Grocery, Retail.....	752	900
General Trucking.....	705	4,500
Express.....	720	1,600
City Sanitary.....	726	1,200
Municipal.....	782	200
Total membership in C.T.U.....	23,600 ^a	23,600
Amalgamated Association of Street and Electric Railway Employees of America (hereafter abbreviated as A.S.R.E):		
Surface Lines.....	241	15,065 ^d
Elevated.....	308	5,000 ^a
Total Chicago Membership A.S.R.E.....	20,065	20,065

Local Membership

International Union of Journeymen Horseshoers of U.S. and Canada.....	4	110 ^a	110
International Hod Carriers, Building and Common Laborers Union of America:			
Tracklayers.....	562	1,225 ^a	
Yard Laborers.....	666	55 ^a	
Total Chicago Membership of I.H.B. and C.L. engaged in work related to transportation....		1,280	1,280
International Brotherhood of Blacksmiths, Drop Forgers and Helpers.....	4,5,122,206	500 ^{ae}	500
Total all organized transportation workers.....			72,194

a. Statement of local union official by letter or interview with the writer.

b. Based on per capita tax payments to the I.S.F. of L. in 1929.

c. 1923 figures latest available, based on per capita tax paid to the C.F. of L. in that year.

d. As of September 30, 1929; See Quarterly Report (Executive Board); Union Leader (official publication of Chicago divisions, A.S.R.E.), December 7, 1929, p.6. All the figures given above except where otherwise indicated are as of the close of 1929 or the first months of 1930. The figures for the C.T.U. locals are believed to be considerably exaggerated.

e. Not all of the members of these locals are employed in transportation, but since a majority of them seem to be employed in making repairs for the street-railway companies, the most satisfactory classification brings them into this group.

If from the total of 72,194 union members, the 6,832¹ workers not engaged in actual transportation occupations are subtracted, the resulting figure, 65,362, represents 84 per cent of all the 78,158 gainfully occupied over which some one or the other of the unions claims jurisdiction.² For the separate branches of trans-

¹The 6,832 union members deducted from the total membership include 2,200 oil-station attendants who are members of I.B.T. Local 705, the entire membership of the Dairy Employees, I.B.T. Local 754, and the Coal Hikers, C.T.U. Local 701. Although the members of these unions are included in this chapter because of their close affiliation with organizations of transportation workers, in chap.1 the dairy workers are included in "All Other Mechanical Occupations" under "Manufacturing," while the oil-station attendants and coal hikers are listed under "Trade." A slight difference appears, therefore, between the total number of transportation workers reported in this and in chap. 1.

²The total, 56,813 workers, estimated to fall within the jurisdiction of some one of the teamsters unions is a composite of the figures in the Census (1930), appearing (note continued on next page)

portation this percentage of organization must be modified. The teamster and chauffeur unions seem to have about 77 per cent of their craft organized, despite the fact that there is almost no organization among the taxicab and bus drivers of the city, none at all of the department-store deliverymen, and only very weak organization among the numerous small shops and stores requiring delivery service.³ Aside from these groups, however, there are no important fields of employment for drivers of motor vehicles or horse-drawn wagons that are not subject to extensive union control. Locals 722, 727, and 738 are probably the only ones affiliated with the International Brotherhood that do not control over 90 per cent of the

under the following subtitles: "Bus Conductors"; "Chauffeurs and Truck and Tractor Drivers"; "Draymen, Teamsters, and Carriage Drivers"; "Garage Laborers"; "Hostlers and Stable Hands"; "Laborers, Truck, Transfer, and Cab Companies"; and "Deliverymen in Laundries, Bakeries, and Stores."

Since the authenticated union membership on the street-railway lines exceeded the number of operating employees in the street-railway system in 1929, the companies' reports of total operating and maintenance employees are taken as indicating the limits of the jurisdictional claims of the unions in this field. The figure so obtained is added to the estimated total of the number of teamsters and chauffeurs, and the resulting sum is used as the basis for calculating the extent of organization in the transportation group. Although the telephone operators are classified under "Transportation" in chap. I, in accordance with the practice of the Census Bureau, they are not included in this chapter, as no active organization exists among this group.

³The Auto Livery I.B.T. Local 27, which has jurisdiction over the taxicab drivers and bus drivers, has been able to organize only a few of the smaller cab companies. A strike in 1918 was resorted to in an effort to organize the eighty drivers of the Chicago Motor Coach Co., but the employer refused to recognize the union. See Monthly Labor Review, October, 1918, p. 282. Since 1918 the Motor Coach Co. has expanded considerably, so that it now employs more than 300 drivers and conductors, but no further effort has been made to bring them into the organization. A jurisdictional dispute with the A.S.R.E. has in part been responsible for this. The Parmalee Co. bus drivers are in a position similar to those of the Chicago Motor Bus Co. The intimate relation between the Parmalee Co. and the Yellow Cab Co. has placed labor organizations at a disadvantage. Some of the baggage men employed by the Parmalee Co. are members of the C.T.U. 75, but as far as can be learned no formal agreement with the union is made (interview with union official).

Regarding the department-store drivers, the Official Magazine of the I.B.T. states, "There is not a union man in any of the department stores of New York or Chicago" (December, 1929, p. 11).

S.F. Rigg calculated that the Chicago Teamsters were 85 per cent organized in 1926 (see Journal of Political Economy, 1926, p. 13). At that time no allowance for the (note continued on next page)

drivers in the classes over which they claim jurisdiction.

In general it is possible to distinguish the I.B.T. locals from those of the C.T.U. by the characterization that the former consist of the salesman drivers. In contrast, the more important organizations of the C.T.U. are made up of men engaged in the delivery of bulky commodities, such as coal, building material, trunks, and baggage. Although jurisdictional strife has existed between some of the locals of these two organizations, this has been negligible in recent years.

For the workers engaged in street-railway transportation, unionization is so extensive that it may be regarded as complete. The unit of local government of the Amalgamated Association is called the "division," and it consists of all the workers employed by an individual street-railway company. Hence, since 1914, when the consolidation of the companies operating electric "surface" cars took place, there have been only two local divisions: 241, which includes the employees of the Chicago Surface Lines, and 308, consisting of the Chicago Rapid Transit Company's employees.⁴

The jurisdiction of the A.S.R.E., being drawn along industrial lines, is broad enough to give the local divisions authority to organize all the workers employed by both the street-railway companies of the city. As a matter of fact, some of the employees of the street-railway companies have chosen to join locals of building-trades workers whose jurisdiction overlaps that of the A.S.R.E. This accounts for the appearance of the two locals of I.H.B. and C.L.U. of A. 562 and 666, in this section devoted to transportation workers. Almost all the members of both of these local unions are employed by the Chicago Surface Lines engaged in

rate of growth of the total number of workers in the craft was possible, nor were some of the census classifications of minor significance allowed for.

⁴This statement does not take into account the Chicago, Aurora and Elgin, and North Shore workers, who operate trains in suburban territory and are organized into separate locals.

either track construction or maintenance work.⁵ A similar situation prevails with reference to men of the more skilled building crafts working for the street-railway companies, but it is impossible to separate these from the workers engaged in general building construction. In some cases this overlapping of jurisdictional claims results in the workers carrying cards in one of the divisions of the A.S.R.E. and in some one of the building-trades locals, such as 9 of the Electricians, as well.

In spite of this conflict of jurisdiction, the two divisions of the A.S.R.E. have maintained very nearly complete control of the field. Division 241 possesses the distinction of having a larger membership than the number of men employed by the company under its jurisdiction. For September, 1929, it reported a total membership of 15,065, while the Chicago Surface Lines' employment roll only two months later showed 14,800 workers employed, exclusive of the office and administrative staff. This apparent anomaly can be accounted for only by some error in the figures or by assuming that the union maintains on its membership roll some retired workers as well as several hundred men who are on the company's "extra list" and therefore not regularly employed. In view of the authenticity of these figures it is clear that the latter explanation is the correct one.⁶ For Division 308 correspondingly authentic figures are not available, but it is fairly certain that this division has been able to maintain very nearly complete organization of the employees

⁵Letter to writer from I.H.C.B. & C.L.U. of A., Locals 666 and 562, June 3, 1930.

⁶The figures for the total number of employees of the Chicago Surface Lines were obtained directly from records of the company. The union-membership figure has been checked on the basis of the amount of dues collected by Division 241 for the quarter ending September 30, 1929. For this period the total amount collected in dues was \$112,800, which at \$2.50 per month constitutes a quarterly payment for 15,040 members. It is thus obvious that the figures are substantially correct. See Union Leader, December 7, 1929, p. 6; also ibid., September 4, 1929, p. 4.

of the Rapid Transit Company.⁷

The unions of local transportation workers in Chicago, then, demonstrate a high degree of control over the labor market. The extent of their control is equaled in few other industrial settings.

On the employers' side, organization is seen to be equally pervasive. Obviously the unions of street-railway workers deal with individual employing companies, since these occupy monopolistic positions. For the employers of teamsters, who are in general small and numerous, associations exist in all of the individual commodity divisions. A statement of the approximate membership of the more important of the employers' associations, together with the number of the local unions with which they bargain, is presented herewith.⁸

Name of Association	Approximate Number of Mem- bers (1929)	Deals With Local No.
1. Commission Team Owners Association.....	200	703 (I.B.T.)
2. Chicago Local, American Newspaper Publisher's Association.....	7	706 (I.B.T.)
3. Chicago Packers & Sausage Mfgs. Association.....	25	710 (I.B.T.)
4. Wholesale Meat Jobbers Association....	1,500	710 (I.B.T.)
5. Chicago Master Cleaners and Dyers Association.....	104	712 (I.B.T.)
6. Chicago Laundrymen's Association.....	220	712 (I.B.T.)

⁷ Interview with a member of the staff of the Union Leader, March 22, 1929.

⁸ The data presented on the associations in order of their listing are based on the following sources: (1) Interview with secretary, Local 703, September 11, 1930; (2) interview with secretary, Local 706, August 14, 1930; (3) interview with secretary of Chicago Packers' and Sausage Manufacturers' Association, September 15, 1930; (4) same as 3; (5) office secretary or impartial chairman, Cleaning and Dyeing Industry; (6) interview, secretary of Chicago Laundry Association, October 6, 1930; (7) Modern Restaurant (official journal of the Chicago Restaurateurs' Association), October, 1929, p. 29; (8) interview with secretary, Local 723, also with secretary of the Bottlers' Association, August 14, 1930; (9) interview with secretary, Chicago Bakers' Club, January 13, 1929; (10) interview with clerk of Movers' Association, September 15, 1930; (11 and 12) interview with an official of the Milk Council, September 11, 1930; (13) letter to the writer from secretary, Local 772, June 4, 1930; (14) letter from an interview with secretary, Local 742, July 24, 1930; (15) interview with clerk, Chicago Motor Liverymen's Association, October 6, 1930; (16) report of J.D. Rooney, secretary of C.M.C.M.A., in Retail Coalmen, April, 1929, p. 60; (17) interview, secretary of C.T.U. Local 702.

Name of Association	Approximate Number of Mem- bers (1929)	Deals with Local No.
7.Chicago Linen & Towel Association.....	34	712 (I.B.T.)
8.Illinois Bottlers Association of Car- bonated Beverages.....	101	723 (I.B.T.)
9.Chicago Bakers Club.....	15	734 (I.B.T.)
10.Movers Association of Chicago.....	800	738 (I.B.T.)
11.Illinois Milk Dealers Association.....	7	753 and 754 (I.B.T.)
12.Chicago Milk Dealers Association.....	75	753 (I.B.T.)
13.Chicago Retail Coffee Dealers Associa- tion.....	15	772 (I.B.T.)
14.South Chicago Team Owners Association.	50	742 (I.B.T.)
15.Chicago Motor Liverymen's Association.	400	727 (I.B.T.)
16.Chicago Retail Coal Merchants Associa- tion.....	233	704 and 701 (C.T.U.)
17.Chicago District Ice Association.....	32	702 (C.T.U.)

Six of these associations, those of the sausage manufacturers, meat jobbers, milk and coffee dealers, and the South Chicago team owners, are of an informal character, the members meeting irregularly, sometimes for social as well as for business purposes. Except for the newspaper publishers, it is not likely that the item of drivers' wages absorbs much less than 20 per cent of total expenditures for representative employers in any of the groups above,⁹ and for many of them this percentage is much higher. In addition to the organizations listed above, most of which are confined to employers engaged in marketing some particular commodity, associations of general trucking contractors dealing with the C.T.U. local of truck drivers should be mentioned.¹⁰ Although bearing the title

⁹Although detailed data on the matter of the distribution of costs have not been available, interviews with employers in each of the various groups indicates that the statement given above is conservative. For members of five of the unions working on commission, the basic scale computed as per cent of sales figure at which the commission takes effect is below 20 per cent only for the coffee drivers, in which case it is 17.5 per cent.

¹⁰Although bearing the same local number, 705, the two locals of truck drivers should not be confused. The one affiliated with the I.B.T. is of oil-tank-wagon drivers, filling-station attendants, and about six hundred general truck drivers. The other truck drivers' local is affiliated with the C.T.U. and includes most of the organized truck drivers working for the general transfer companies, as well as many drivers making deliveries for the large wholesale houses and factories of Chicago.

of Illinois Motor Truck Operators' Association, this organization was composed almost entirely of Chicago trucking contractors, and had about ninety such contractors on its membership roll in September, 1930. For the members of this association as well as for the numerous other smaller general transfer companies throughout the city,¹¹ the item of drivers' wages may represent upward of 50 per cent of the total operating expenses.

It will be apparent from the suggestions already made that the extent of common interest between the employer and union member will vary not only from one local to another, but within some of the local unions as well. The item of drivers' wages varies from a small portion of total expenses in the case of the newspaper publishers and the larger factories to the most significant element in costs, as in the case of the general transfer companies.

II. Conditions Established by Collective Action

In discussing the working conditions of the unionized transportation workers, it will be convenient to deal with the teamsters' unions separately from the unions of the street-railway workers, and this division will be followed throughout this section.

Although formal recognition of the closed shop is not included in all of the agreements of the transportation workers, most of the employers in this field who employ any union workmen find that only a few of their newest employees are not members of some labor organization. In reviewing the developments of 1926 in local transportation the official organ of the Employers' Association of Chicago commented, "The closed or union shop exists here to the com-

¹¹In the 1929 Chicago Telephone Directory, 562 general trucking contractors were listed. Many of these were probably only "one-truck" companies, and if the owner were affiliated with any organization, he belonged to the union rather than to an employers' association.

plete exclusion of any attempt at open shop operation." All of the agreements of the locals affiliated with the I.B.T. provide that the employer shall give preference to union men, but that he may hire such non-union men as will promise to join the union within thirty days from the day of beginning employment.¹² The agreement of the Soda & Mineral Water Drivers goes farther than any of the rest on this matter, and provides:

Should a member of the Association (i.e., the Illinois Bottlers of Carbonated Beverages Association) employ a driver, chauffeur, or helper who is not a member of local 723, at the time of seeking employment, such employee automatically becomes a member of local 723 by seeking employment from the above firm, and each member of the Association shall, before allowing the applicant to go to work, secure a signed application for membership in local 723 deducting from the wage of each new member to cover initiation fee and dues to local 723 Ten Dollars per week until the sum of Fifty Dollars initiation fee has been collected from drivers and chauffeurs, and Twenty-five Dollars initiation fee from helpers.

In addition to the foregoing provision regarding new members, the agreement of this local also provides for the check-off of union dues by the employer for all members. The result is that this local is able to maintain an absolute control over its membership through co-operation with the employers. So far as can be learned, no other union of the local transportation workers has been able to secure employer co-operation to the extent of the check-off.¹³

¹²For this study, the agreements of the following locals have been available in full: 703, 706, 710, 712, 723, 753, 772, 742, 727, 754. Locals 738, 739, and 733 have no written agreements, but details as to working conditions of their members have been obtained either by interviews or by letters from employers or union officials. While the agreement of 705 has not been available, information regarding it has been obtained from published sources. The only other I.B.T. local that has wide influence, Kensington General, 721, makes an agreement similar to that of 742. Except for the agreement of the Ice Wagon Drivers, those of the C.T.U. locals have not been available in full, and the present discussion, therefore, refers primarily to the conditions established by the I.B.T. locals.

¹³C.T.U. Local 705 permits the employer to check off the initiation fee from wages in instalments, but it is not required by agreement (service letter to membership of Employers' Association of Chicago, August 20, 1930).

Five of the I.B.T. locals have been able to add to the security of tenure of positions of their members through the insertion of clauses in their agreements providing for notice of one week in event of discharge. Since the obligation of a week's notice in these cases is a mutual one for both the employer and the worker, it is probable that a legally binding agreement exists with each individual workman who can be shown to have ratified the union agreement.¹⁴

Privilege to act in sympathy with other organized workers is granted by the clause that "in case of lockout or strike of any union, it shall not be considered a violation of this agreement for the members of this union to refuse to deliver goods where such controversy is on."¹⁵ This clause or one to the same effect appears in the current agreements made by the locals of the Soda and Mineral Water Drivers, the Auto Livery Chauffeurs, the Bakery Wagon Drivers, the Milk Wagon Drivers, the South Chicago General Teamsters and Chauffeurs, and the Coffee Drivers. Except for the agreement of the Laundry Drivers with the Master Cleaners' and Dyers' Association, none of the compacts of the other I.B.T. locals contains any express provisions with respect to sympathetic action. The Laundry Drivers' agreement with this association provides specifically that "its members will not engage, directly or indirectly, in any sympathetic strike for any cause whatsoever." Although this clause would seem broad enough to cover almost all types of sympathetic action, it probably would not be construed as a strike for a member of the

¹⁴The I.B.T. unions that provide for one week's notice are Locals 710, 712, 723, 734, 753, while Local 772 requires two weeks' notice for discharge. So far as can be learned, none of the other unions of either the I.B.T. or C.T.U. includes similar provisions in its agreement. As to the enforceability of such discharge clauses, see Gary v. Central Railway Co., 141 S.E.819, Ga. 1928. Also Ralph Fuchs, St. Louis Law Review, X (1924), 1-33.

¹⁵Milk Wagon Drivers' Agreement, Art. XII

Laundry Drivers' Union to refuse to deliver goods to an apartment building against which the janitors were on strike.

Standard for all the agreements of the teamsters' locals is the provision requiring arbitration in the event disputes arise which cannot be settled by the representatives of the parties.¹⁶ Specifically this requirement calls for the selection of two members of an arbitration board by each of the parties, and these representatives in turn are to select the fifth member of the arbitration board.

There is no uniformity in the agreements with reference to the length of the working day, and some of the agreements make no provision at all on the matter, while most of them allow for some flexibility. Obviously with the intent of indirect regulation of the length of the working day, but with the idea of permitting the employer and the individual workman a wide range of discretion in the specific arrangement of time schedules, the unions whose members act as salesmen as well as deliverymen content themselves with specifying the time when deliveries shall begin or cease, or both. The Coffee Drivers and the Meat Drivers regulate the starting time, but make no stipulation as to when work shall cease for the day. Coffee merchants are permitted to make out the schedule of work for their drivers and must arrange for the first delivery not later than 8:00 a.m., "but the driver is to continue on each route until everything necessary to the proper operation of the route has been completed." The drivers employed by the Chicago Packers' and Sausage Manufacturers' Association are "obliged to report for work between 7:00 and 7:30 a.m." but no further stipulation is made as to their hours of work.

¹⁶This statement applies to the C.T.U. locals as well as those of the I.B.T. The agreement of the C.T.U. Local 702, as well as interviews with C.T.U. officials, is authority for this statement.

Men governed by the agreement with the Illinois Manufacturers of Carbonated Beverages are permitted to make special deliveries after 5:00 p.m. in emergencies only and when paid overtime of 75 cents per hour therefor, but beyond this hours of work are not regulated. Similar in nature to this rule is that applying to the Bakery Wagon Drivers, which prohibits any deliveries being made after 6:00 p.m. For the Bakery Drivers, an additional limitation on hours is included in the clause specifying that drivers shall not make more than two trips over their route in any one day. It will be apparent that even with these limits defined a large degree of responsibility for the decision as to the actual number of hours of work remains with the individual worker and his employer.

Within this class of drivers acting as salesmen, those having the most specific limitations upon the length of the working day are the Laundry and Milk Wagon Drivers. Although the agreement of the Laundry Drivers with the Cleaners' and Dyers' Association contains no stipulation as to the number of hours in the working day, that with the Laundrymen's Association, the members of which employ the bulk of the union membership, specifies that drivers are not permitted to call for or deliver any parcels before 6:00 a.m., nor are they to be requested to load their trucks for the next day's work after 5:30 in the afternoon. The Milk Wagon Drivers' Union also regulates the time for starting and finishing work indirectly, but in a more detailed manner. During the period ending October 15 to about May 15, no wagons are permitted on the street before 7:00 a.m., while deliveries are not to begin until 8:00 a.m., and all wagons are to be off the street by 5:00 in the afternoon. Some time may be consumed in the morning in preparing for the day's deliveries, and some in the afternoon in making out reports, but this provision sets the limits of the driver's day fairly definitely within ten

hours.¹⁷ For the summer season beginning May 15 and continuing to about October 15, the deliveries are to begin "as early as the business requires" in order for the work to be done by noon, and all wagons are to be off the street by 1:00 p.m. Thus it is seen that even the most powerful of the teamsters' unions leaves some flexibility in the regulations regarding the length of the working day.

The members of the local unions having jurisdiction over the cartage of bulky commodities such as building materials, those doing hauling for excavating work, and those doing transfer work for the commission produce merchants of the city¹⁸ work under even less rigid restrictions in regard to the length of the working day than do those of any of the unions mentioned above. The South Chicago general teamsters, for instance, have the longest hours recognized in any of the agreements, the working day being from 6:30 in the morning to 6:30 in the evening. General chauffeurs, however, belonging to the same union are to work from 7:00 a.m. to 5:00 p.m., while building-material teamsters and chauffeurs within the jurisdiction of this local work from 6:30 a.m. until 5:30 p.m., with one hour allowed for the noon meal. Moreover, for this class of men Article III of the 1930 Agreement with the South Chicago Team Owners specified:

.... There is nothing in the agreement providing for any par-

¹⁷The Bureau of Labor Statistics in calculating the hourly rate for Chicago milk wagon drivers under terms of the 1927-30 agreement assumes a sixty-hour week of six days (see Bull. 457, p. 153). Although an earlier Bulletin, (Bull. 388, p. 138) reported an eight-hour day as in effect in 1924, this is obviously an error.

Talk is sometimes indulged in on the assumption that the eight-hour day, six-day week is in effect (see statement of D.J. Tobin, American Federationist, June, 1927). Interviews reveal that many of the milk wagon drivers do in fact work only forty-eight hours a week, but there has been nothing in the agreements of recent years to guarantee this.

¹⁸Drivers for the commission merchants, I.B.T. Local 703, after a one-day strike in April, 1931, succeeded in maintaining the 1930 scale and in reducing the length of the working day to nine and a half hours (see Federation News, April 11, 1931, p. 18; Monthly Labor Review, July, 1931, p. 106).

ticular amount of time to feed and harness teams, provide with gasoline or otherwise put trucks in working order. If an employer has his teams harnessed or his trucks ready for service at six-thirty a.m., the men are required to go immediately to the car, pile, or hopper and begin their day's work.

A classification of the unions having definite standards as to the length of the working week yields the following results. Eight local unions, with a total membership of 10,361, permit a working week of sixty hours or more. Another 10,700 of the unionized teamsters and chauffeurs belonging to five of the larger local unions work under regulations specifying from fifty-seven to sixty hours of work per week, while a smaller group, 6,228, distributed among eight locals, are protected by clauses in their agreements which provide that from fifty-four to fifty-seven hours shall constitute a full-time week. Of the remaining 22,920 of Chicago's unionized teamsters and chauffeurs, 14,715 were members of the six unions of salesmen drivers whose rules regarding length of the workday have already been reviewed. For some of the members of these latter unions, the actual working week is shorter than the fifty-four-hour minimum referred to above, but this results from individual action rather than the operation of union agreements. The Newspaper Drivers' local, which is not included in any of the foregoing groups, has the shortest specified number of hours that are incorporated in the agreements of any of the local unions. Members of this organization in charge of day routes work a fifty-one-hour week, while those in charge of night routes receive almost the same pay for forty-five hours of work.

It is possible to summarize the regulation of hours of Chicago's organized teamsters and chauffeurs by saying that about 20 per cent still worked sixty hours per week or more in 1930, another 20 per cent worked between fifty-seven and sixty hours per week, and fully one-half of the total number were included among those for

whom the full-time working week constituted fifty-four hours or more. Even for the remainder, many of whom were salesmen, a part of whose remuneration was in the form of commission on business, the eight-hour day which may be realized in practice was not guaranteed by the terms of the collective bargain.

It is more difficult to give a brief and accurate description of the wage structure of the unionized drivers. Caution should be observed against accepting the characterization of the more important scales which is presented subsequently as a complete picture of the recognized union rates. Even for the locals whose members do not work on a commission basis, the existence of a large number of different rates for different classes of drivers within each union makes the condensation of the wage scales a misleading procedure. Nevertheless, the very existence of a complex wage structure also makes some simplification extremely desirable, and thus even at the risk of presenting something of a fiction, the following abbreviation of the wage scales is attempted.

It is convenient to utilize the division of the workers already made for the purpose of summarizing the regulations with respect to the work week. If the 27,319 members of the drivers' unions not working on commissions and for whom fairly definite data are available are classified in terms of the length of the working week recognized by each of the unions to which they belong, and the median of the 1929 wage scales established by each of the unions is taken as the scale for the local-union membership, an average of these median scales weighted by the membership of each of the unions gives the following hourly rates,¹⁹ The 10,391 unionists

¹⁹The computations of the scales have been made directly from the union agreements except in the case of six unions with a total membership of 2,153, for whom it was necessary to use figures for 1927 appearing in Bull. 457 of the U.S. Bureau of Labor Statistics, pp.140, 152. For the foregoing summary the distinction between teamsters and chauffeurs has been (note continued on next page)

who worked the sixty-hour week got an average of 70.7 cents per hour; 10,700 working under a standard of fifty-seven hours per week got 68.7 cents per hour, while another group of 6,228 averaged 74 cents per hour on a fifty-four-hour week basis. Full-time weekly rates for the corresponding groups averaged \$42.42, \$38.25, and \$39.96, respectively, during 1929. For the entire 27,319 workers making up 54 per cent of the total number of unionized drivers in that year, an extension of the foregoing calculations shows that the average scale for unionized drivers in Chicago in 1929 was 70.7 cents per hour.²⁰

Like all averages, this rate of 70.7 cents per hour is a fiction, but it does help to indicate the point around which the union scales for 1929 tended to settle. In so far as it is subject to definite bias, it doubtless exaggerates the rates upon which actual earnings were figured, since it has not been possible to allow for helpers within most of the locals. The scale for Newspaper Drivers, which is not included in any of the foregoing groups, in marked contrast with the average mentioned, was \$0.923 for day work and \$1.22 for night driving.

The 22,176 remaining union drivers are found in fourteen different local unions. No less than seven of these locals, with 14,715 members, or 35 per cent of the unionized drivers of the city, have established the principle of payment by commission on sales or deliveries in addition to the regular basic rates. The basic rates applicable in these unions, together with the manner of figuring commissions, are indicated in the accompanying tabular form.

disregarded. Except for two of the unions, it has not been possible to make allowance for the members who were employed as helpers, and therefore not entitled to the driver's rate of pay.

²⁰In January, 1932, the Furniture Drivers, I.B.T. Local 722 accepted a 10 per cent cut, while the general truck drivers affiliated with both locals numbered 705 submitted to reductions of \$2.50 in their weekly scales. Four months later the oil drivers and filling-station attendants belonging to I.B.T. Local 705, which were among the highest-paid groups, reduced their monthly rates from \$182.50 to \$167.50 (see Federation News, January 9, 1932, p.4; May 14, 1932, p.2).

Name of Union	Member- ship	Basic Week- ly Rate 1929-30*	Commission
Milk Wagon Drivers....	7,100	\$50.00	0.6 cents per point over 190 per day
Bakery Wagon Drivers..	2,224	50.00	7 per cent on business in excess of \$500 weekly
Coffee Wagon Drivers..	400	43.50	12½ per cent on business in excess of \$250 weekly
Laundry Wagon Drivers. 3,429			
Laundry.....		38.50	12 per cent on private rough-dry or finished business over \$180, and 20 per cent on wet- wash private business over \$180 per week
Dye House.....		41.00	5 per cent over \$250 business per week
Linen Supply.....		42.50	First month's income on all new business
Soda Water Drivers...	462	30.00	6 cents for delivery or return of each case, and 5 per cent on all crushed fruit sold, or, if employer chooses, straight commission, 15 cents a case on small and 25 cents on large
Meat Drivers.....	600	40.00	½ cent per pound up to 2,500 pounds per week, and ¼ cent on all above
Ice Cream Drivers...	500	20.00	In summer (May 1 to October 1)
		40.00	In winter, plus 5 cents a gallon on all busi- ness*

*The listed rates are those applicable to the largest number of members of each of the unions, but not all of the members of the milk, meat, and ice-cream locals were paid on the basis shown. About 20 per cent of the membership of each of these unions were paid on a flat-rate basis. The Ice Cream Drivers work a seven-day week, while all the other unions shown in the tabulation work only six days (see Federation News, May 9, 1925, p.7).

For the union drivers working in part as salesmen and receiving some of their earnings in the form of a commission on business done, it is seen that the minimum basic scales ranged from \$30 a week to \$50 in addition to commissions.²¹

When one turns to the conditions established on the street-railway systems, a less complex scene is presented because of the homogeneity of the work itself. Of the 20,065 members of the two divisions of street-railway employees, no less than 13,000, or 65 per cent, are trainmen. These 13,000 trainmen are about evenly divided into motormen and conductors. Since all the street-railway employees work for either one of two companies, the conditions of work tend to be uniform regardless of trade-union standards.

Except for certain minor differences in phraseology and some slight difference in the wage scales, the agreements of the two divisions of the street-railway employees create almost the same working conditions. The agreements made in 1930 were renewals of three-year agreements made in 1927. They provided that there should be no discrimination in the hiring of workers because of membership in the A.S.R.E., and that the Association officials should be recognized as the representatives of the employees, but reserved to the companies the right "to discharge or discipline employees, where sufficient cause can be shown."²²

²¹The foregoing discussion on wage scales leaves out of account the rates applicable to the members of the following unions: I.B.T. Locals 721, 733, 742, 754, 755 and C.T.U. Locals 720, 726, and 782. Four of these consist of government employees whose rates of pay are fixed by public legislation; two are locals of general teamsters in Kensington and South Chicago whose rates tend to follow those of the other unions for each class of work; one, the Dairy Employees, is an adjunct to the Milk Wagon Drivers and does not comprise drivers; while the remaining one, Chauffeurs, I.B.T. Local 755, has only 24 members, who are in reality "entrepreneurs" themselves.

In May, 1932, the Milk Wagon Drivers and the sister-organization of Dairy Employees (I.B.T. Locals 753, 754) reduced their basic weekly rates by \$5.00 (see Federation News, May 14, 1932, p.2).

²²Division 241, Agreement (1930), sec. 2.

Provision for arbitration has always been an important part of the agreements of the street-railway employees. The 1930 agreement called for the settlement of all disputes by representatives of the parties, and in the event of their failure, for the creation of a temporary arbitration board to settle the specific questions arising out of such disputes as the regular officials of the company could not dispose of satisfactorily. Such temporary boards were to consist of three members, one representative appointed by each of the parties, and a third chosen by these two.

The basic eight-hour day was recognized by both the Rapid Transit and the Surface Lines, and one and a half times the regular rate of pay applied to all work over eight hours.²³ A distinction between the agreements of the two companies appeared in the requirement as to the percentage of the total number of runs which were to be at straight time. The Surface Lines' requirement on this matter was that "not less than 60 per cent of the total number of runs are to be within the eight-hour limit and the remaining 40 per cent may be as high as fourteen hours." For the Elevated Lines the range of discretion was somewhat narrower in that 70 per cent of the runs were to be at straight time and the remainder had to be completed within thirteen hours. The overtime rate, however, constituted an important incentive for both the companies to arrange schedules wherever possible to bring all the runs within the eight-hour limit.

²³Although the 1930 wage rates were retained in the agreements made in July, 1931, important changes were adopted regarding the workday regulations by both local divisions. The maximum length of the new work week was reduced to six days, the companies agreed to pay regular men for a minimum day of seven and a half hours (instead of eight), and penalty for overtime was to be assessed only after eight and a half hours, but it was understood that the employers were to arrange runs as near eight hours as possible. The thirty-minute lunch period formerly allowed on company time was discontinued (see Federation News, July 4, 1931, p. 3; July 11, 1931, p. 4; August 1, 1931, p. 8).

Although there is no absolute recognition of the principle of seniority, "In all cases where men are laid off to reduce the force, they shall be laid off according to seniority, primarily, but consideration may be given to their capacity and fitness" and reinstatement is to take place on the same basis. The only other specific allowance made for the principle is in the agreement of the Rapid Transit Lines with Division 308, which provides that promotion to the rank of towerman shall be from the switchman or extra-trainmen class in accordance with seniority.

The more significant wage scales established by the agreements of the street-railway employees are those for workers operating trains, since this class constitutes about 65 per cent of the total number of wage-earners employed by the companies. The 1930 hourly rates for trainmen, effective since June, 1929, are as tabulated:

	Rapid Transit	Surface Lines
Regular motormen.....	\$0.79	\$0.77
Regular conductors.....	.74	.77
One-man-car operators.....	---	.85
Night-car operators.....	---	.79
Extra motormen:		
First 3 months.....	.73	.72
Next 9 months.....	.74	.75
After 1 year.....	.79	.77
Extra conductors:		
First 3 months.....	.72	.72
Next 9 months.....	.72	.75
After 1 year.....	0.74	0.77

For the other classes of employees covered by agreements of the A.S.R.E., the rates range upward from \$0.505 per hour for Class B flagmen to \$0.86 for Class A towermen on the elevated lines, and from \$0.54 per hour for flagmen to \$1.29 for foremen in the car repair shops on the surface-lines system.

III. Joint Relations in Local Transportation

Among the most trying problems of the drivers' unions has been

that of securing capable and trustworthy officials. A problem of no small importance to all groups of organized workers, this question has assumed even greater significance in the teamsters' and chauffeurs' unions, first because of the type of workers, and second because of their strategic location in the industrial setting. While the introduction of the motor-driven vehicle has changed and probably raised the skill requirement of the drivers, it can scarcely be claimed that the training requirement is comparable with that necessary in the more highly skilled crafts in building construction, for example. For the unions composed of members whose chief function is the driving of vehicles, this has meant that recruiting of leaders has been largely from unskilled workers. While the leadership of these organizations has perhaps been as good as circumstances would permit, it has left much to be desired. The shortcomings of the administration of the Chicago teamsters' and chauffeurs' unions in the past are as important as any single factor in accounting for the division of the field between the C.T.U. and the I.B.T.²⁴ It is no mere accident that

²⁴No secret is made of this fact. The Official Magazine (I.B.T.), April, 1926, states: "Shea, elected president at the amalgamation convention at Niagara Falls in 1903, chose to be advised and controlled by a clique, who not only violated their obligations but who found in the movement a source of notoriety and pelf. There are few if any of these left. It would take pages to record the intrigues and despicable work played in the organization the years following the Niagara convention until the dethronement of graft and perfidy at the Boston convention in 1907."

Con Shea, referred to in the foregoing quotation, originally an official of the Chicago teamsters, was elected president of the I.B.T. in 1903 and was as much as any other single man responsible for the ill-advised strike of 1905 which split the Chicago teamsters into two factions, one of which later became the C.T.U. After his dethronement in 1907, he reappeared when the Chicago local of theater janitors was organized, and held the presidency of this local until his death. For details of the strike of 1905 see Rigg, loc. cit.; also W. O. Weyforth, The Organizability of Labor ("Johns Hopkins University Studies," 1917), pp. 127 ff.

in general the unions whose members work on a commission basis and are in a sense salesmen as well as drivers have been conceded even by antagonistic employers to have been somewhat more fortunate in maintaining honest and conservative administration than many of the other locals.

In spite of the difficulty of recruiting leadership from unskilled groups, the strategic position of these workers has been such as to promote their organization. This fact, which will be discussed in detail later, has made the teamsters' organizations powerful, and hence they have become desirable sources of personal profit for the unscrupulous. This factor has been one which has grown increasingly important with the increased power of the unions,²⁵ and has sometimes attracted undesirable leaders from outside the labor movement proper.

In view of these circumstances, it is perhaps remarkable that the leadership of the unions has received the degree of indorsement that has been forthcoming. Employers of the unionized milk wagon drivers have reported that this union has been very ably administered.²⁶ Employers dealing with the Meat Wagon Drivers have also stated that however uncompromising the union leaders may have been

²⁵For an indication that some of the more conservative of the established leaders recognize this danger, see the speech of President Fitchie of the Illinois State Federation of Labor before the 1930 convention (Proceedings of the I.S.F. of L., 1930; also see statement of International President Tobin in Proceedings of the Eleventh Convention, I.B.T., 1925, p. 29).

In answer to the argument that such statements come from individuals who have vested interests to protect, it should be remarked that antagonistic employers are equally emphatic in alleging that "certain of the teamsters' locals have been the victims of 'rackets' by outsiders." All the Chicago daily papers have carried reports of grand-jury investigations in the matter during September, 1930. See, e.g., the Chicago Tribune, September 26, 1930.

²⁶Interviews with an official of the Milk Council and an officer of a leading dairy-products company. Even officials of the Employers' Association of Chicago who are sparing in their praise of unions have admitted to the writer that the Milk Wagon Drivers' officials have done some good work in raising the standards of the drivers.

in negotiations over the formation of the agreements, once they are made the promises of the leaders have generally been observed. The secretary of the leading employers' association dealing with this local union reminded the writer that for a period during the increase in prices accompanying the World War, the agreements with the union worked to the disadvantage of the men and yet "at a time when business men were cancelling contractual obligations, the agreements of the union were never broken."²⁷ It should not be inferred that such indorsement of union leadership by employers has been universal,²⁸ but it is sufficiently common to indicate that administration of the unions has been placed on a reasonably stable basis.

No strike or lockout affecting any large proportion of the unionized teamsters has occurred since 1908,²⁹ but there have been numerous short strikes of individual locals at the time of renewal of some of the agreements, as well as isolated cases of strikes against individual employers to enforce existing agreements or to unionize non-union firms. The 500 oil drivers and the 2,400 filling-station attendants, members of the I.B.T. Local 705, struck for an increase in pay in July, 1927, at the time of the expiration of their agreement. The result, although a compromise of the union demands, was a victory in the form of increases of about \$5.00 per month for both types of workers, which were incorporated in the

²⁷Interview with an official of the Chicago Packers' and Sausage Manufacturers' Association.

²⁸Charges that the teamsters' unions have been used for personal benefit have not been uncommon. In 1924 such charges were made against the officers of the Auto Livery Chauffeurs, I.B.T. Local 727. The president of the Checker Taxi Company is reported as having stated: "Men enrolled in Local 727 from Checker never were initiated into the union, and they never were called to attend any of their meetings. 'Give me bucks and you are in' seemed to be the official slogan" (Union Labor News, October 4, 1924, p.2)...

²⁹Rigg, The Chicago Teamsters' Unions (Northwestern University, Master's thesis, 1925), chap. iii. (Hereafter referred to as Northwestern MS.)

new two-year agreement.³⁰ This same group of workers were involved in another dispute in 1929 over the question of pay for vacations. By the aid of the United States government conciliation division this issue was settled, allowing the workers a two weeks' vacation annually with pay.³¹

The form of the discussion of the union wage scales adopted in the last section has already indicated in a general way the possible earnings that unionized drivers may expect. To go much farther in an analysis of the operation of the general wage scales would require a detailed knowledge of the volume of unemployment, which is not available. It will be remembered that calculation of the average hourly rates for 27,319 union members yielded a result of 70.7 cents. On the basis of a fifty-four-hour week, such an average rate would give the drivers a weekly wage of \$38.18. While it is doubtless true that many of the drivers earned more than this during some weeks of 1929, it should be pointed out that at least 20 per cent of the 27,319 teamsters and chauffeurs upon whose scales this calculation is based are directly affiliated with the building-construction industry. For this group it is certain that allowances for unemployment would reduce the average earnings below the suggested figure. Even the other drivers included in this figure probably bore a substantial burden of unemployment during a part of the year, since the volume of trucking bears a direct relationship to the volume of general business activity.

Probably the drivers suffering the least from temporary layoffs are those acting as salesmen and deliverymen. It will be recalled that these were found for the most part in the seven local unions having a total membership of 14,715 whose members work under

³⁰Federation News, July 16, 1927; Employers' News, September, 1927, p. 3.

³¹Monthly Labor Review, September, 1929, p. 125.

a partial commission plan of remuneration. The majority of the membership of this group--94 per cent, in fact--is concentrated in the unions of drivers of milk, laundry, and bakery wagons. It is not likely that any marked seasonal variation occurs in the demand for the services of any of such drivers. The product or service handled by them is one of year-round consumption with only minor seasonal changes in consumer's demand.³² This should be borne in mind in analyzing the operation of the wage scales for this group.

For the three largest unions of salesmen drivers, basic rates in 1929 were \$50 per week for the bakery and milk wagon drivers and \$38.50 for the laundry wagon men.³³ These scales have grown out of lower levels, but unless account is taken of changes in the commission rates attached to them, there is likely to result the impression that there have been larger increases in real earnings than have actually taken place. For the bakery and milk wagon drivers, it is clear that substantial increases have been realized. The \$35 minimum scale of milk drivers of 1919 had increased to \$50 per week in 1929. Moreover, the week was defined in terms of six

³²See Kyrk and Davis, The American Baking Industry, 1894-1925 (Food Research Institute; "Stanford University Publications", 1925), p. 59; C. A. Brown, "Costs and Margins and Other Related Factors in the Distribution of Fluid Milk in Four Illinois Market Areas," University of Illinois Agricultural Experiment Station, Bull. 318 (1929), p. 218.

Figures for the seasonal demand for laundry service have not been available, but a priori reasoning confirms the opinions of representatives of the industry that variation is not large.

³³These are the rates for the retail drivers, although all three of the organizations have other rates applicable to other classes of work. Since the retail drivers comprise well over 80 per cent of the membership of these locals, the other classifications are disregarded here.

Although under protest from some employers, the \$1.00 increase in the basic weekly scale of the Laundry Drivers which was called for by the five-year agreement made in 1929 went into effect in November, 1931. While the increase appears to have been conceded by the majority of the employers, some firms refused to recognize the new scale, with the result that the union's control was challenged. Grievances with these firms were still unsettled as late as June, 1932. See Monthly Labor Review, February, 1932, p. 366; Federation News, June 13, 1931, p. 11; November 7, 1931, p. 2; February 13, 1932, p. 7; February 20, 1932, p. 7; May 21, 1932, p. 1.

instead of seven days in 1921, so that the increase in the drivers' maximum wage was even greater than the basic figures indicate.³⁴ In terms of the old seven-day week, the drivers' 1929 scale would yield \$58.33 per week, or 66 per cent more than the 1919 scale.

For the entire period, there has been no change in the method of calculating commissions. Six-tenths of a cent per point (roughly it is advisable to think of points as the equivalent of quarts of milk) for all sales in excess of a daily average of 190 points has been the standard rate of commission. For the years 1925-26 the average number of points credited to the individual driver was 299.4 per day, or 2096.72 for a seven-day week. Such a record yields the driver a commission of \$4.58 per week on milk sales alone, and this figure may be raised to \$6.25 when account is taken of supplementary items such as sales of butter, cheese, and eggs.³⁵ This latter figure, since it is based on the seven-day week, should be lowered correspondingly, with the result that the summary statement that the Milk Wagon Drivers of Chicago received average earnings of \$50.35 per week on the basis of the 1926 scale for a six-day week may be made. If corresponding sales may be assumed during the period of the 1927-30 agreement, the basic wage and commissions would yield the average driver \$55.35 for a six-day week.

For the bakery and laundry wagon drivers, suggestions as to the movement of actual earnings established under the scale of the agreements of recent years are fraught with greater difficulties. These arise from two principal sources: first, the fact that both of these unions have commissions upon the value of total sales rather than upon the physical volume of business handled; and, second, because of changes that have taken place in the minimum

³⁴Rigg MS, chap. iv, and Milk Wagon Drivers' Agreement (1927-30).

³⁵Brown, op. cit., pp. 247. 258.

valuation of business before the commission rates take effect. From 1913 to 1924 the Bakery Wagon Drivers' agreement provided for a commission of 5 per cent on all weekly sales in excess of \$250. During the early part of this period, the guaranteed minimum was \$21 per week, and this was raised to \$23 in 1917. In 1924 both the guaranteed minimum and the commission base were raised. The minimum guaranty was fixed at \$45 in that year, and the minimum valuation of weekly business to be done before the 5 per cent commission rate was to go into effect was raised to \$500.³⁶ It is apparent that this increase from \$23 to \$45 in the guaranteed minimum wage does not represent entirely an increase in real earnings for the period, but is in part a transfer of commissions to the guaranteed minimum wage.³⁷ If it is assumed that no changes in the prices of bakery products were taking place during the period in which these changes in the wage scales were introduced, weekly sales of \$500 under the terms of the 1917 agreement would yield the driver \$48. With the raising of the commission base in 1924, corresponding sales would bring the driver the bare guaranteed minimum of \$45, and only when his average sales exceeded \$560 would the new rates increase his earnings. The reality of the increase, therefore, depends upon the average volume of business handled by the individual driver and upon price changes during the period. Since 1927 the guaranteed minimum for this class of drivers has been \$50 per week, and the commission rate has been 7 per cent on business over the base of \$500 which became effective in 1924. The \$5.00 increase in the 1930 minimum scale over that for 1924 represented

³⁶Rigg, Northwestern MS, p. 52.

³⁷Under the scales in effect immediately prior to the change in 1924, union officials claimed the average weekly earnings were not over \$40, while one employer stated that earnings ranged as high as \$70 (see Chicago Tribune, April 30, 1924).

a real increase which had been further enhanced by an increase in the commission rate.

For the laundry drivers the basic minimum scales increased from \$25 in 1919 to \$38.50 in 1929. In all of the agreements during this period, five different types of routes have been allowed for, and although the minimum has been the same for all of these, the commission rates and the points at which these rates have taken effect has varied from one to the other. The 1919 rates on so-called "private business routes" applicable to the majority of drivers were 10 per cent on all business over \$125 weekly, up to and including \$200, and 25 per cent on all business in excess of \$200. By 1925 the commission rate had been raised to a single rate of 12 per cent, but the effect of this increase had been attenuated by changing the commission base to \$180 of private business weekly. The \$1.00 increase in the minimum scale which was introduced in 1929 was accompanied by the re-creation of two commission rates. This time, however, the two rates applied to different classes of business. The 12 per cent rate was continued in effect on all business in excess of \$180 of the so-called "rough-dry" type, while on "wet-wash" bundles amounting to more than \$180 a week, the rate was fixed at 20 per cent. Obviously no fair presentation of the movement of probable earnings of laundry wagon drivers over this period can be made without knowledge of the relative amounts of the different types of business handled by the drivers.

Some information regarding volume of business handled by laundry wagon drivers leads to the suggestion that in 1929 a good laundry route yielded a gross income of \$200, while the poorer routes, usually assigned to beginners, yielded around \$150.³⁸ Assuming

³⁸Rigg records the instance of an unusually fortunate driver whose route customarily brought a gross income of \$225 weekly.

these figures to be a fair representation of fact, on the basis of the 1928 scale a good route would add \$2.40 in commissions to the driver's minimum scale of \$37.50, and give earnings of \$39.90. The \$1.00 increase in the minimum which took effect in November, 1929, and the subclassification of wet-wash work with a higher commission rate would raise this probable earnings figure to somewhat over \$40. Doubtless some members of the union had unusually good routes which may have brought them considerably more than this, but it appears justifiable to consider \$40 as a liberal estimate of the average earnings of the unionized drivers in 1929.

As an abridgment of the foregoing discussion it may be stated that for about 45 per cent of the unionized drivers, when allowance is made for probable unemployment, the wage scales of the 1929 agreements operated to yield average weekly earnings of considerably less than \$40, while the more fortunate of the drivers having milk or bakery routes may have earned upward of \$55 weekly with fairly steady employment, and the laundry wagon driver having weekly earnings of more than \$40 was exceptional.

The electric-railway trainmen working under scales that ranged from 74 to 79 cents per hour since June, 1929, will be able to show weekly earnings not differing greatly from those of the unionized drivers if the milk and bakery wagon drivers are omitted from the latter group. Figuring on the basis of a forty-eight-hour week, the 77 cent rate applicable to the majority of the 10,000 trainmen employed by the Surface Lines would bring weekly earnings of \$36.96. If the same number of working hours is assumed to apply to the three thousand or more trainmen of the elevated lines, calculations would show earnings of \$35.52 for the conductors and \$37.92 for the motormen. Such allowance as would seem justified for these workers points in the direction of actual earnings somewhat higher

than these figures. Although the trainmen are permitted to register five days in advance for a day off during the week, it is not compulsory that they take advantage of this privilege, and hence many of the men worked on the average more than six days a week.³⁹ Since most of the Sunday runs were limited to six hours at straight time, the foregoing figures may properly be raised for many of the men to \$41.58 for the Surface Lines trainmen and \$39.96 and \$42.66 for the conductors and motormen of the Rapid Transit Company, respectively, when calculated on a fifty-four-hour basis. To this correction should be added the possibility of overtime for such runs as it was impossible to bring within the eight-hour limit.

Supplementing the wage of the electric-railway employees is the group life and health insurance for which the companies agree to bear the cost.⁴⁰ For the Chicago Rapid Transit Lines, 5,588 employees were covered by such group insurance during 1928, the first year of the operation of the plan. In 1929 this figure had increased to 5,848.⁴¹ Although correspondingly exact information as to the coverage of the employees of the Surface Lines is not

³⁹Data on this point are scanty, but for one selected week in 1914 the records indicate that 41 per cent of the regular motormen of the Surface Lines and 49 per cent of those employed by the elevated roads, as well as 37 per cent of the regular conductors of Surface Lines and 34 per cent of those in the elevated system, worked seven days (see Bull. 204, pp. 889 ff.).

In July, 1931, union officials reported, "At present about 11 per cent of the men working on the street cars in Chicago labor for 365 days a year, and another 20 per cent are off only one day a month." By virtue of the agreement of 1931 the practice of permitting any men to work more than six days a week was specifically prohibited (see Federation News, July 11, 1931, p. 4).

⁴⁰Life insurance of \$1,000 is provided employees accepted by the insurance company who are of three months' standing in the company's employ, and health-insurance payments after seven days' illness of \$20 per week to employees "wholly and continuously disabled" for a period of twenty-six weeks. In the event that the employee's claim is such as to entitle him to indemnity under the Workmen's Compensation Act, only the difference between the compensation allowed and the insurance benefit is paid.

⁴¹During 1928 the death claims paid to beneficiaries of Rapid Transit Co. employees amounted to \$166,592.06, and claims for sick benefits amounted to \$88,850.15 in that year (Annual Report of C. R.T.Co., December 31, 1928, and also report for 1929).

available, it is reported that very nearly all of the employees of the company are included. The company estimates that the amount of premiums paid on this insurance is the equivalent of an extra 1.5 cents per hour added to the employees' wage rate.⁴² Hence, with the insurance premium, it is possible to consider the present union agreement of the street-railway employees as operating to give the workers an average weekly wage of nearly \$40.

Any decision as to whether the earnings of drivers and street-railway workers, as indicated by the foregoing review, were higher than would have been enjoyed without organization on the part of the workers must be a matter of conjecture. Some of the employers felt reasonably sure that organization of the workers has made for higher wages than would otherwise have been in effect,⁴³ while others were of the opinion that the union scales were not higher than those which would have prevailed irrespective of unionism.

In all branches of local transportation the hiring is done by the individual employers and not through the union office. The exceptions to this rule are so rare that they may be disregarded. The customary procedure is for the employers to hire men from the open market, securing contact either through newspaper advertisements or by such other devices as they see fit to use, and such men are then informed that the employer does not discriminate against union members and that in practice most of his employees join the union. In some fields the employers may feel even more friendly toward organization and co-operate with the union to see that their men become members; but the essential point is that the cases are extremely rare where an employer will be forced to hire a man whom

⁴²Interview with an official of the Chicago Surface Lines, September 22, 1930; see also Federation News, January 28, 1920, p.1.

⁴³Such opinions have been expressed as probabilities of course.

he considers incompetent, or to retain him after he has been hired, merely because of the fact that the man carries a union card.⁴⁴ While almost all of the unions of chauffeurs and street-railway employees will appeal cases of unjust discharge for their members to the highest officials in the employing firms and some of them even provide for a decision by an outside arbitrator in the event that a fair settlement cannot be reached otherwise, none of them would contest a discharge for incompetency unless it was obviously a subterfuge.⁴⁵ The Milk Wagon Drivers have even gone so far as to recognize that proof of drunkenness, use of vile language, or smoking while on the job is justification for immediate dismissal. Not a single case has been found in which employers have charged the unions with an attempt to protect incompetent employees.

Added to this fact of freedom of discharge for cause and freedom to hire in the open market is the significant point that almost all of the unions in the transportation group are in a very real sense "open" unions. The highest initiation fee charged is \$100,⁴⁶ but this applies only in the organizations having the highest

⁴⁴Throughout all the trade journals and in interviews with employers, some known to be antagonistic to the unions, only two cases have been found in which the unions have arbitrarily interfered with the employer's power of discharge. In one of these an alleged incompetent milk driver was discharged and later proved to be a friend of the business agent, who attempted to secure his reinstatement. Even here the employee's dismissal was finally accepted.

The other case was one of insubordination rather than incompetency, in which a strike was declared against a manufacturer for discharging a union man who refused to pull his truck out ten minutes ahead of schedule in an alleged emergency. In this case, although an injunction was granted against picketing, there may have been a legitimate dispute as to whether an emergency really did exist (Alward and Co. v. I.B.T. Local 705, Case 492612, Superior Court of Cook County, Records of the Clerk of the Court).

⁴⁵An officer of the Chicago Surface Lines was particularly emphatic on this point, and no other employers have taken a contradictory position.

⁴⁶There were two exceptions to this in the case of the two locals of truck drivers (705) who charged \$150 for members who owned their own trucks.

scales and is made payable in instalments out of wages, so that there is little difficulty for the serious employee who intends to remain at work steadily to gain entrance into the local union which claims jurisdiction over his work. A number of the local unions of drivers have initiation fees of only \$50, while the local divisions of the A.S.R.E. charge \$18 for entrance if made within thirty days after the employee enters the street-railway service, and \$28 to those entering after a month has passed. While such fees do prevent some "floaters" from entering unions, it can hardly be contended that they are severe barriers, when compared with those customarily observed by some of the strongly organized trades.

These two facts of the recognition of the employers' prerogative to discharge and the freedom of entrance to the unions taken together constitute, from the point of view of wage theory, the most important evidence set forth in this chapter. It is a theoretically sound position that within rather wide limits for employers disposing of goods or services having a low elasticity of demand it makes little difference where the wage rate is set providing discretion in the selection of workmen is allowed. This proposition lies at the root of such statements as "Maybe it's a good thing for the employers that the unions have raised wages since it has helped to create and maintain high standards for the working force." This remark, made in confidence by an employer representative of wide experience, is in harmony with statements of other employers and goes a long way toward pointing out the real significance of such wage increases as may have taken place under pressure from the unions. In part at least they have been made possible through increased efficiency of the work force.

While the foregoing suggestions that organization may have tended to raise the standard of workmanship is of more or less

general application in all the different branches of local transportation, certain special factors apply to some of the individual unions. Since the Milk Wagon Drivers are among those for whom the benefits of organization are most clearly established, it is particularly pertinent to inquire into the specific sources of these benefits in their cases. From 1914 to 1929 the guaranteed minimum for drivers rose from \$19 per week to \$50, or 163 per cent. When allowance is made for changes in the general price level during this period, there is still a substantial improvement in the real earnings of milk wagon drivers. Partial assistance in the explanation of the sources from which this improvement has been derived is rendered by a study of the figures for the changes in the number of milk distributors in the city during this period. In 1911 there were, as nearly as can be estimated, between 1,200 and 1,500 milk dealers in Chicago. By 1917⁴⁷ this number had been reduced to 668, and eleven years later there remained only 186 dealers, who operated 190 pasteurizing plants in the city.⁴⁸ This decrease in the number of dealers has taken place during a period in which there occurred an absolute increase in the demand for milk, and means then, even without other information, that the plants remaining in 1928 were on the average much larger than those operating at the beginning of the period. As a matter of fact, so marked has been this tendency toward concentration that in 1929 it was reported that seven of the larger dealers supplied 75 per cent of the total retail product of the industry.⁴⁹

For present purposes the significant features of this tendency toward concentration are: first, that it has made possible a more

⁴⁷C. S. Duncan, "Chicago Milk Inquiry," Journal of Political Economy, 1918, p. 321.

⁴⁸Brown, op. cit., p. 206.

⁴⁹Interview with an official of the Milk Council.

rigorous control by the distributors over costs and prices; and, second, that it has doubtless been accompanied by increasing economy in the operation of the plants of the milk dealers. In general these economies are of two sorts. The first are such as arise from benefits of large-scale pasteurizing and bottling plants;⁵⁰ and, second, those resulting from the elimination of duplicate efforts of milk deliverymen. The latter form of economy is well illustrated in the case of a certain milk concern which resulted from the merger of two companies each operating thirty delivery wagons, a total of sixty for both, which after the consolidation it was found possible to reduce to eighteen.⁵¹ Such elimination in the waste of overlapping routes has undoubtedly been a factor in permitting increases in drivers' wages.

Additional basis for the inference that there has been an improvement in the efficiency of the deliverymen accompanying recent wage increases is afforded by the record that in 1923 the average driver delivered merchandise which credited him with 250 points each day. Similar figures for 1925 and 1926 show a daily average of 299.53 points credited to the drivers.⁵² Warning should be given against taking these two sets of figures as strictly compar-

⁵⁰See Kelly and Clement, Market Milk (Wiley & Sons, 1923), p. 265; also Milk Plant Letter, October, 1926, No. 146 (Bureau of Industry, U.S. Department of Agriculture), cited in Rigg MS.

⁵¹"Report on More Economical Distribution and Delivery of Milk in Chicago," Municipal Reference Bull. 8, December, 1917. This same report quotes S. C. Summer, for years one of the leading officials in the drivers' union, who commented on a proposed ordinance providing for the licensing of milk dealers and zoning of the city to eliminate waste of overlapping routes, as saying, "If you have a law where there is one delivery, that is the thing to bring about. The idea of ten men going into one building is wrong."

⁵²H. A. Ross, "Marketing of Milk in the Chicago Dairy District," Bull. 269 (University of Illinois Agricultural Experimental Station), p. 513, and Brown, *op. cit.*, p. 258. The figure for 1923 given in Ross was based upon records of fifty-eight of the more important retail dealers, while the 1925-26 figures given by Brown apparently refer to the entire Chicago market, although he gives no definite statement as to the extent of his data.

able. Taken at their face value, they indicate an increase of 20 per cent of delivery efficiency during the period. After allowance for possible difference in the method of gathering the figures, some net improvement still remains.⁵³

Simultaneous with this improvement in the efficiency of delivery service, there has been a widening of the margin between the retail price of milk and the price paid for raw milk by the Chicago distributors. In the years between 1914 and 1927, the retail price of milk increased from 8 to 14 cents per quart, while the producers who were getting 3.4 cents per quart in 1914 found that in spite of generally rising prices raw milk commanded only 5.6 cents per quart on the Chicago market in 1927. The producer's price had thus increased only 65 per cent, while the retail price had increased 75 per cent. This difference between the rates of increase in the producer's price and the retail price for milk, in addition to undoubted improvements in the efficiency of distribution that were taking place following 1916, accounts for the fact that the dealer's margin increased from 4.6 cents in 1914 to 8.4 cents per quart in 1927, thus showing an increase of 83 per cent in the dealer's share of the consumer's price. It is out of this growing dealer's margin that the increase in the wages of the drivers has come.⁵⁴

In spite of the fact that it appears that increases in drivers' wages have come out of a widening margin allowed for distribution costs, it cannot be maintained that such increases have been either at the expense of the producing farmers or of the con-

⁵³The most important bit of evidence against this conclusion is that in 1918 the average number of quart points carried per driver in Chicago, Boston, Baltimore, and Washington was reported as 385. Since it is not possible to separate the figure for Chicago from the general average, no exact qualification is justifiable (see Kelly and Clement, op. cit., p. 334).

⁵⁴The figures on dealers' margins and prices taken from Brown, op. cit., pp. 279 ff.

Readjustments effective in May, 1932, which were accompanied by a lowering of the driver's scale, reduced the dealer's margin to 6.68 cents, which was 45.2 per cent above that for 1914 (see Federation News, May 14, 1932, p.2; New York Times, June 26, 1932, p.7).

suming public without giving due weight to other considerations. These other considerations are related to the problems of what the milk prices, producer's and retailer's, would have been in the absence of advances in the wage scales of the deliverymen. In so far as the dealers have been able to control retail prices and the price paid to producers, it is valid to presume, on theoretical grounds alone, that such prices would be fixed so as to give the greatest net advantage to the dealers irrespective of the movement of union wage scales. It is only in so far as the movement of union wage scales may have contributed to a strengthening of the dealers' control over retail or raw-milk prices that it is possible to say that the increase in drivers' wages has come out of higher retail prices or lowered prices paid to producers rather than out of sums that would have been retained by the dealers as a part of their profits.

The tendency toward increasing concentration of control of the market in the hands of a few large dealers has already been noticed. It remains to call attention to the manner in which advances in union scales may have accentuated this tendency. First it is desirable to notice that the increases in the union rates have been mainly in the form of flat-rate additions to the minimum basic scales rather than changes in the commission rates. Because the smaller dealers usually have the smaller routes, such flat-rate uniform increases will tend to press more heavily upon the unit costs of the small dealers and so add another advantage to the plant and marketing economies already available to the larger milk distributors. This is one of the reasons why the smaller distributors have winced more sincerely than the larger distributors at union demands. Effects of this character arising out of uniform wage increases will moreover tend to be cumulative, since as the larger dealers gain control of the market, the smaller distributors find

the volume of their own businesses either declining or at any rate not increasing as rapidly as that of their competitors. Whether this tendency can continue indefinitely to a point at which it might result in complete monopoly in the distribution of the city's milk supply and so perhaps react to the disadvantage of the union, it is not necessary to consider, since it is fairly clear that such a point has not yet been arrived at. In view of the operation of the recent changes in the wage scales of milk wagon drivers, it may then be concluded that such advances as have taken place, to the extent that they have hastened the process of concentration and control, may rightfully be said to have come out of increases in consumer's prices and a lowering of prices of the raw product.⁵⁵

An examination of the movement of the union rates for the street-railway employees indicates that the more important increases in wage rates have come since 1914. Prior to that year it is doubtful whether the advances in union scales had been much more than sufficient to keep up with the advances in the cost of living. The hourly wage effective in the third year of service in 1914 was 29 cents for trainmen on the surface lines, which was only slightly less than 50 per cent above the scale effective after six months of service in 1900, when the street-railway employees' organizations of Chicago were founded. Cost of living had been rising continuously during the period, so that it is not certain that any increase in real wages resulted.

In 1918 by virtue of a decision of the War Labor Board, the wage structure was simplified, the scale for men of one year's service was raised from 35 to 48 cents, and in August, 1919, the rate for men of corresponding service was fixed at 65 cents. The

⁵⁵Credit should be given to the Rigg MS for suggestions as to the relation between drivers' wages and dealers' margins, although the writer assumes full responsibility for the argument as here developed.

high point was reached in May, 1920, when the rate for men of one year or more of service was placed at 80 cents.⁵⁶ While an extended financial analysis is not within the scope of the present study, it is relevant to point out that the Surface Lines have had average earnings of slightly more than 6 per cent on an average valuation of \$169,000,000 for the period between 1915 and 1930. While this rate is not excessive, there is reason to believe that the valuation is a liberal one, and it is valid to conclude that such wage increases as have been forthcoming have not seriously affected the financial position of the Surface Lines.⁵⁷

⁵⁶The classification prior to 1918 provided for advances based on the following schedule of seniority: starting rate effective first three months; advances, second three months, second six months, and every six months thereafter until the third year of service, when advances were automatically made every year until the sixth year of service. Such a schedule provided for nine steps before the maximum rate was reached (32 cents an hour in 1914).

In view of the fact that of the regular motormen and conductors employed by the Surface Lines in 1914, 22 and 36 per cent respectively were men of less than five years' standing, it is obvious that an avenue of escape from advances in rates might be available to the company by changing the seniority distribution of the working force. The War Labor Board decision partially closed this avenue by providing for only three steps in the seniority ladder. Effective August, 1919, the hourly rate for trainmen for the first three months of service was 43 cents; for the next nine months, 46 cents; and after one year of service all trainmen were to be paid a minimum of 48 cents.

This simplified rate structure has been retained in all the agreements since 1919, although the actual rates have been changed seven times since that date. See Wage History of Amalgamated Association, published by the Association (1914); U. S. Bureau of Labor Statistics, Bull. 204, p. 398; Federation News, May 30, 1925, p. 7; September 11, 1926, p. 3; December 31, 1927, p. 3; February 4, 1928 p. 2; August 1, 1931, p. 8; Agreement (1930-31).

⁵⁷The complications of the valuation question are too involved to be treated here. The valuation given above is based on the average deduction from the "residue receipts" for the period. Milo R. Maltbie estimated valuation of the roads on the basis of original cost less depreciation, at \$83,614,869 on October 21, 1924; and on the basis of new reproduction minus depreciation, at \$130,237,672 on January 1, 1924 (Report on Appraisal and Valuation of Chicago Surface Lines).

For a consideration of the profitability of the roads during an earlier period, see Report of Special Committee of City Council of Chicago on Street Railway Franchises and Operation (1898), p. 304.

While the item of wages absorbed a somewhat higher percentage of the fare in 1929 than it did in 1908, the economy in overhead resulting from increased passenger traffic had greatly assisted in protecting the profit position. Added to the increased passenger traffic has been the fact that the more important changes in wage scales have been accompanied by changes in the rate of fare. In spite of the constant passenger fare effective between 1907 and 1919, minor increases in wage rates during these years were easily offset by the trebling of passenger traffic during the period.⁵⁸ The wage increase from 48 to 65 cents in August, 1919, was accompanied by an increase in the fare from 5 to 7 cents. While there was some falling off of net revenue during 1919, the Surface Lines easily managed to earn the 5 per cent of valuation allowed under the transportation ordinance. The passenger fare was lowered to 6 cents in December, 1919, but recognition of the demand for an increase in the trainmen's wage scale from 65 to 80 cents (May, 1920) was followed by an advance in the passenger fare to 8 cents two months later. When this fare was reduced to 7 cents in June, 1922, insistence upon cutting the wage scale to 70 cents resulted in a short but ineffective strike. Since 1922, there has been no increase in the passenger fare although the wage rate has advanced by gradual steps to 77 cents, while the company profits, which hovered near the average for the period of 1915-30 during 1923-24-25, were well above this average in the four-year period, 1925-30. Able management, increased efficiency of labor, and increasing traffic appear to have made this possible.⁵⁹ Although the profit position

⁵⁸See Twentieth Annual Report of Board of Supervising Engineers, p. 40; Report of Chicago Traction and Subway Commission (1916), p. 141.

⁵⁹It is in point to suggest that some of the increases in wages of street-railway employees may have been at the expense of the private consumers of electric power, since the street railways in 1927 used 25.3 per cent of the power sold by the Commonwealth Edison Co., and since it was bought at 37 per cent of average cost, while retail customers were paying (note continued on next page)

of the Rapid Transit Company appears to have been less satisfactory, it is not possible to conclude that the union wage rates have been a severe burden on this company either. Growth in passenger traffic has not yet been sufficient to bring about the more economical distribution of overhead⁶⁰

IV. Limiting and Supporting Forces

The foregoing pages, which have set forth the character of labor relations in local transportation, also suggest the underlying forces which influence those relations and give vitality to the collective bargaining machinery. Writing in 1905, Professor Commons set forth the very significant distinction between two types of employers of the organized teamsters as an important point in understanding the Chicago Teamsters' Unions. He pointed out that to one group of employers the wages paid to drivers constituted a large element in their total expense of doing business, while to other groups wages of deliverymen formed a small item in total expenditures. Events that have transpired since that time indicate clearly with which of these two groups of employers the organization of labor has found its firmest footing.

It is now clear that even in 1905 union organization was on a delicate foundation in fields in which drivers' wages were minor items incidental to the employer's total expenses. While no detailed information is available as to the extent of organization

2.7 times average cost. See E. L. Rauber, Development of the Electric Light and Power Industry of Chicago (University of Chicago, Ph.D. thesis, 1930), pp. 212, 279.

⁶⁰C. H. Wilmerding writes: "A splendid profitable property is available in the surface lines, earning about \$12,825,000 a year. The elevated lines are less profitable, earning only about \$3,560,000, but they need only some additional construction to fit them into an efficient union with the surface lines and make them both profitable." See Chicago Traction Plan (Lakeside Press, 1929), p. 17.

in 1905, it is not likely that even in that year a very large proportion of the union drivers were to be found in the employment of firms to whom transportation was a sideline, distinctly incidental to other major activities. It is noteworthy that the two largest strikes in the history of Chicago's organized drivers developed in establishments where there is little relation between the character of employers' competition and the item of drivers' wages.⁶¹ The strike of the department-store drivers in 1908, which resulted in unequivocal defeat for that organization, removed one group from Professor Commons' list of union employers with small proportionate transportation costs.

Of the list of employers of union teamsters classified by Commons in 1905, for whom drivers' wages represented but a small portion of total expenditures, there remain the meat packers; grocers and meat markets; lumber, milk, and ice dealers; railway express company; and the largest manufacturers and wholesalers. Of these the milk, ice, and lumber dealers might well be classified with truck owners and teaming contractors, not because drivers' wages will absorb the same proportion of total expenses for all of them, but for the reason that stabilization of wage rates by the union tends to act as a force to control competition within these groups. When liberal estimates are made of the members of the unions hired by the remaining employers in this group, it is found that there are not more than ten thousand of them.⁶² It would ap-

⁶¹Reference is to the strikes of 1905 and 1908; the first of these began as a sympathetic strike against Montgomery Ward & Co. to assist the garment workers employed there (see Rigg, Journal of Political Economy, 1926, pp. 13 ff.).

⁶²This figure includes 200 packing-house teamsters, 900 grocery and meat market drivers, 1,600 railway expressmen, 128 truck drivers employed by the street railways, 400 furniture drivers, 734 newspaper drivers, 1,600 government teamsters and chauffeurs, and 4,500 members of the two Locals 705 working for wholesalers, factories, and oil companies. The resulting figure, 9,860, certainly represents the outside limit of the number of union members employed by establishments to whom transportation is a minor item of expense.

pear, therefore, that about 20 per cent or less of the members of the various teamsters' unions were employed in industries where union policy can have only a slight effect upon prices and competitive practices.

The approximation already given results in the conclusion that the remaining 80 per cent of the union drivers exert a powerful influence toward controlling competitive conditions in the field in which they work. In none of these remaining fields of activity does the item of drivers' wages fall below 20 per cent,⁶³ and in many cases it reaches 80 per cent of the employer's total expenditures. So nearly identical is the interest of employers and workers in this group that in some cases it will be found that some of the members of the employers' associations will also belong to the union.⁶⁴ Even for the larger laundries and bakeries, where the item of delivery expense is less important, organization of the drivers makes a powerful appeal to employers because of the possibility which it creates of control over division of territory, and hence over price competition.⁶⁵

⁶³This statement, based only in part upon specific calculations for some of the individual unions, has been confirmed by interviews, and is felt to be a conservative estimate.

⁶⁴The best illustrations of this harmony of interests will be found in the motor-livery and film-transfer business. Two hundred members of the Chicago Motor Liverymen's Association own and operate their own vehicles and are also members of I.B.T. Local 727, while the Film Chauffeurs' Union, I.B.T. Local 755, is in reality an organization of small business men who own their own trucks and contract with theaters to deliver films. An official of the organization told the writer that the principal objective in mind when a local union charter was applied for was to obtain a device whereby it would be possible to get an agreement among the members as to division of territory.

⁶⁵Clear cases of direct control by unions over competitive practices as well as over wage rates have been found. In Lamson v. Reliable Transit Company et al., affidavits were filed charging officials of I.B.T., Local 703, with threats to put a concern which cut rates out of business. In Equity, Case 8060, Records of Clerk, U. S. District Court, Northern District of Illinois.

The coal teamsters have also played a prominent rôle in supporting the employers' market and aided in the maintenance of local retail coal prices and standards of competition. See Commons, op. cit.; Retail Coalman, April, 1929, p. 32; November, 1929, pp. 31, 39.

Throughout all branches of transportation, one of the forces assisting in the maintenance of labor organization is the fact of a definitely limited market. A glance at the roster and membership of the Chicago teamsters' and chauffeurs' unions reveals that at least five locals are directly concerned with building construction, and in consequence are influenced by some of the forces which promote organization of the building-trade workers. Even among the other locals it will be found difficult to select a very large number of workers engaged in the transportation of commodities ultimately destined for a national market. The meat drivers, I.B.T. Local 710, which upon first consideration may appear as an exception to this statement, is in reality in conformity with it. Not more than two hundred members of this union are employed by the larger packing-houses doing business in a national market.⁶⁶ The remaining members of this local either drive their own wagons and are also members of the Wholesale Meat Jobbers' Association, or are employed by members of the Chicago Packers' and Sausage Manufacturers' Association. This latter organization comprises only the smaller packing-houses whose business is largely confined to the city and suburban territory.

An influence which has promoted the growth of unionism in local transportation has been the introduction of the truck. Although it is impossible to demonstrate it statistically, it is likely that the development of motor transportation has increased the proportionate share of business done by hauling contractors. This has come about because the purchase and maintenance of motor-vehicle equipment has been more expensive than that of the older horse-drawn vehicles.⁶⁷ Motor-truck transportation, therefore, has been

⁶⁶Interview with an official of a large meat-packing establishment, September 11, 1930; also interview with secretary of the Chicago Packers' & Sausage Manufacturers' Association.

⁶⁷For comparison of the operating expense of horse and motor vehicles, see Certified Milk, July, 1927, p. 7.

economical only when it has been possible to give full use to the overhead investment and so obtain a low unit cost. Numerous small factories and wholesale dealers may have found it more convenient and economical to rely upon the service of trucking contractors than to maintain equipment only partially utilized. These factors have resulted in the transfer of some work which might otherwise have been handled as a part of general manufacturing or wholesale business to specialized trucking contractors. In this way the item of drivers' wages, which would have been a small element in the wholesale or manufacturing cost, is transferred to an employer to whom it becomes one of the principal items of expenditure. It is not accidental that associations of such contractors have worked in complete harmony with the drivers' unions.

An obvious, but an extremely important, element which has encouraged unionism among the teamsters is the fact that their work carries them individually into public thoroughfares and outside of the direct supervision of employers. Under these circumstances, union sympathizers find "persuasion" of non-unionists a much simpler matter than under factory conditions. If necessary, acts of violence may be used to "educate" the indifferent with little risk of detection of the parties responsible. It is this power to convert the indifferent which has made possible organization of workers whose employers have been directly opposed to the principles of unionism. This was doubtless an important element in the early organization of the street-railway employees⁶⁸ as well as in the organization of the packing-house teamsters and the drivers of delivery wagons for the larger manufacturing and wholesale establishments.

⁶⁸See "Street Railway Employment in the United States," U.S. Bureau of Labor Statistics, Bull. 57, p. 625.

A limiting force militating against unionism, which operates throughout the whole field of transportation but is to a large extent offset by other factors, is that of a low skill requirement. For the street railways it has been reported that from three days to two weeks is an adequate period for training.⁶⁹ Although changes in the industry in recent years have led to a longer training period, the occupation can still not be classified as otherwise than semiskilled. The increasing traffic congestion of the last decade has raised the requirements for both drivers and street-railway employees, and has doubtless been a factor calling for the payment of higher wages as well as one encouraging organization. The manner in which this has aided organization has a twofold aspect. First, by this limitation upon the number of likely applicants for jobs, control over the labor supply by a vigorous union is made mechanically easier; second, once the union is established, it becomes increasingly easier to retain old members and to gain new converts during a period which permits rising wage rates. Such increased rates may then be attributed to the fact of organization, even though in the absence of a union they might have been forthcoming anyway, and the resulting illusion is favorable to the growth of unionism.

It is impossible to deal with the forces influencing the organization of street-railway employees without giving very substantial weight to political factors. Street railways, being public utilities, cannot fix prices without governmental approval. Moreover, in Chicago the situation has been one in which the political support of a large body of organized employees has been peculiarly desirable. Indeed, it is doubtful if the passage of the recent transportation ordinances permitting complete unification

⁶⁹Ibid., p. 618.

of all the lines could have been had on terms as favorable to the companies had not the support of organized labor been forthcoming.⁷⁰

The history of street-railway transportation in the city is by no means such as to indicate that the employers have willingly stimulated the growth of organization; indeed, in the early days of the union, management of the roads vigorously resisted all efforts of the workers in this direction.⁷¹ Neither have the employees always supported the companies; nevertheless, whether by design or otherwise, the potential political influence of the union has without doubt been one of the factors making for acquiescence in the activity of the union by the operating companies.

Hence it is clear that although limited organization among transportation workers might be possible where centralized control over wage rates would have little influence over competition and prices, the present extensive organization is to be attributed in large part to the resulting regulation of a localized market that is naturally competitive in the case of the teamsters and truck drivers, and to political influences in the case of the street-railway employees, while for both of these groups the isolation under which the work is carried on makes resistance to organization of the workers a difficult task.

⁷⁰See Chicago Tribune, June 25, 1930. The teamsters opposed the ordinance (see ibid., June 30, 1930).

⁷¹See Report of Special Committee, p. 79.

CHAPTER VI

THE AMUSEMENT WORKERS

I. The Parties

Building-trades unions are commonly thought of, with no small degree of justification, as typical examples of business unionism, but it is in the amusement industry that one finds "here and now" unionism par excellence. In Chicago the more important employers in the amusement industry who find it desirable or necessary to deal with organized labor are grouped into associations. The largest of these associations from the standpoint of the number of employers affiliated and from the standpoint of the number of persons employed by them is the Exhibitors' Association of Chicago. This organization consists of about 150 of the larger motion-picture theaters of the city.¹ Prior to the close of 1929, the organization included upward of 300 theaters, or about 80 per cent of the motion-picture theaters in the city at that time. Since that date, a defection of the smaller theaters resulted in the formation of a new organization of exhibitors known as the Independent Theater Owners of Illinois, Inc.² While membership in this latter organization is recruited throughout the state, 147 Chicago theater-owners were found on its roster in August, 1930. Unlike the Exhibitors' Association,

¹Interview with an official of the Chicago Exhibitors' Association, referred to hereafter as the Exhibitors' Association.

²Hereafter referred to as the Independent Owners. This organization became affiliated with a national association of the smaller theaters known as the Allied Theater Owners. The local group is sometimes referred to in trade journals as the Allied Association, and readers should be warned against confusion because of this fact.

this organization does not confine itself mainly to the settlement of questions of labor policy for its members, but it is also active in assisting its exhibitors in the making of contracts for film rentals and in other broader questions of theater policy.³

The combined Chicago membership of the Independent Owners and of the Exhibitors' Association is nearly identical with the membership of the Exhibitors prior to September, 1929. There was found virtually no overlapping of membership between the two organizations in October, 1930.

The employment relations of the legitimate theaters of Chicago with the unions are determined by negotiations with the Chicago Theatrical Managers' Association.⁴ In 1928 this organization included the managers of thirty-five of the legitimate theaters of the city.

A fourth organization of employers recently founded is composed of thirteen of the twenty-one broadcasting stations located in or near Chicago. It is known as the Chicago Broadcasters' Association, and comprises the larger broadcasting stations of the city.

In addition to the employers represented by these associations the Chicago Civic Opera Company, the Ravinia Opera Company, and the Orchestral Association of Chicago require individual mention. These make separate agreements with the Musicians' Union and the Stage Employees and are not affiliated with any other employing groups. Separate account should also be taken of the four hundred or more clubs, hotels, restaurants, and halls which either intermittently or as a part of their regular program require services of entertainers. There is no formal association for this group, and the

³Interview with an official of the Independent Owners, August 12, 1930.

⁴Hereafter referred to as the Managers' Association.

individual employers make agreements with the members of the Musicians' Union in accordance with terms defined by the union's leaders.

The figures representing the membership of Chicago unions of amusement workers in 1929 may best be presented in tabular form.

TABLE XIII*

Membership of Chicago Unions in the Amusement Industry

International Federation of Musicians:	
Local 10.....	7,800
Local 208 (negroes only).....	500
International Alliance of Theatrical Stage Employees and Motion Picture Machine Operators:	
Local 2 Stage Employees.....	700
Local 110 Motion Picture Machine Operators.....	629
Building Service Employees' International Union:	
Local 53 Ticket Takers and Ushers.....	160
Associated Actors and Artistes of America:	
Grand Opera Choral Alliance.....	70
Actors' Equity--Chicago Branch.....	500
	10,359

*Figures were obtained as follows: Musicians, interview with a secretary, Chicago Federation of Musicians, Local 10, July 17, 1930; International Alliance of Theatrical Stage Employees and Motion Picture Machine Operators, interviews with a business agent of the Chicago Theatrical Protective Union 2, August 7, 1930, and an official of the Chicago Motion Picture Machine Operators, Local 110, September 6, 1930; Building Service Employees' International Union, Local 53, letter from secretary; Grand Opera Choral Alliance, interview with business agent, May 20, 1930. Although a membership figure is given for the Chicago Branch of Actors' Equity which is based on the per capita tax payment to the Illinois State Federation of Labor in 1929, because of the peculiar nature of the bargaining of this union, it is not treated in detail in the subsequent pages.

Several other unions in the amusement field should be mentioned. A great deal of publicity has been given to the newly formed Actors' Union of America, but its membership is as yet unstable, and since it does not constitute an important bargaining factor in the industry, it is not treated in this chapter. This union is not affiliated with the A.F. of L. and has had some difficulty in

jurisdictional claims both with the Associated Actors and Artistes and with the International Federation of Musicians.

Reports were current during 1928 that a new organization of chorus girls was being formed, but it appears to have lost its impetus early in its history. There are no indications that the organization was active beyond 1929.⁵

Federal unions numbered 17183 (Stereopticon Slide Makers), 17764 (Ushers, Cashiers, and Doormen), 18041 (Theatrical Agents and Managers), and 17352 (Theatrical Wardrobe Attendants) have been chartered by the A.F. of L. The first of these had its charter revoked in 1930, and although no direct official information is available on the others, conversations with union officials in other organizations indicate that they are either very small or entirely inactive. The last of the group paid a per capita tax to the Chicago Federation on one hundred members, the minimum payment, in 1923. No record is available to indicate that any of them since that date have paid per capita tax to either the state or city central organizations. Unions of the Scenic Artists, Theater Janitors, and Film Chauffeurs are treated in the chapters on the building trades, building-service employees, and transportation workers, respectively.

An indication as to the relative importance of unionism in the various branches of amusements is to be obtained by comparing the figure of reported union membership in 1929 (10,359) with the occupational data of 1930. Such a comparison reveals that 76 per cent of the gainfully occupied workers attached to the calling of

⁵See Retail Clerks' International Advocate, November, 1928, p. 26; Federation News, July 14, 1928, p. 5.

Among the more detailed items published regarding the activities of the Actors' Union of America, see the following: Billboard, January 12, 1929, p. 3; January 26, 1929, p. 4; February 2, 1929, p. 11; Federation News, March 23, 1929, p. 9.

professional amusement were allied with the organized labor movement. The addition of the membership figures for the several small unions for which no data have been available might raise this percentage one or two points, but it is probable that the amusement workers of Chicago were somewhat less than 80 per cent organized in 1930.⁶

With respect to the three largest groups of organized workers, the musicians, stage hands, and motion picture machine operators, there remains no doubt that control over their particular crafts was more extensive. Enigmatically enough, the unionized musicians in the face of severe unemployment have been able to retain almost complete control over the professional employment of musicians. In an exhaustive listing of "unfair" theaters, the International Musician records only one Chicago theater as being "unfair" in 1930.⁷ It is perhaps also of some significance to notice that this theater is one in the negro district under the jurisdiction of Local 208, indicating that even failure to organize this house is not a mark of weakness of the larger of the two local unions. An official of Local 10 claims that the unions control over 90 per cent of the local musicians who work at the trade professionally, and a careful check from other sources indicates that this figure is only slight-

⁶The figure for the gainfully occupied in professional amusements (13,667) is arrived at by combining the following classifications in the Census for 1930: "Theater Ushers, Laborers in Recreation and Amusements, Stage Hands and Circus Helpers, Helpers in Motion Picture Production, Musicians, Actors and Showmen." To this total is added the figure for the Motion Picture Machine Operators, which represents a transfer from the census classification under the manufacturing and mechanical industries, on the theory subsequently explained. See infra, pp. 202 ff.

⁷The International Musician is the official organ of the International Federation of Musicians. See any 1930 issue prior to September. Acknowledgment and thanks are due to the librarian of the Wisconsin State Historical Society for access to the files of this journal.

ly, if at all, exaggerated.⁸ This degree of control has been maintained in spite of severe unemployment for the craft in recent years. In the year 1929 there were not more than twenty-five hundred unionists employed at the work of furnishing professional musical entertainment. Of these about one thousand were employed only on irregular engagements. The other fifteen hundred were distributed approximately as follows: four hundred members were employed regularly by the members of the Chicago Broadcasters' Association, another four hundred were engaged by the legitimate and moving-picture theaters of the city, while four hundred had regular employment in cafes or dance halls. In season, the Chicago Civic Opera Company and the Ravinia Opera made agreements covering about one hundred union members, and about two hundred more were occupied at miscellaneous steady engagements not classified above. The Chicago Symphony Orchestra during the season of twenty-eight weeks employed between eighty and one hundred members, but these should not be regarded as a net addition to those listed above, since most of the orchestra players were recruited from among members having temporary employment in some one of the other fields of entertainment during the time of the year when the orchestra was not in session. Such a distribution of employment among the 7,800 members of the unions means that the remaining 5,300 not accounted for in the foregoing paragraph were either unemployed or engaged in some other

⁸As indicative of the strength of the Musicians' Union, the following statement may be cited from the bill of complaint filed in the case of Palaban & Katz v. Chicago Federation of Musicians, Local 10, which alleges that "practically all musicians available, or qualified for employment are members of the said union and subject to its rules as interpreted and enforced by the officers and board of directors thereof; that it is impossible for said complainant to obtain satisfactory music for such entertainment except from such members." This bill was filed in September, 1928, in Equity, Case 8562, Records of the Clerk of the United States District Court, Northern District of Illinois.

All of the data regarding the distribution of employment among the members of the Musicians' Union Local 10 are based on an interview with an official of the union.

line of work. For this peculiar situation there are a number of plausible explanations. The most obvious is that the reported figure of union membership is overstated. In view of reports from trade journals, some of them definitely antagonistic to the interests of the union, it is not likely that the membership figure is much too large. In the absence of direct proof, we are bound to take the officially reported figure as a reasonably correct approximation. Since it is admittedly an approximation, however, it probably does err somewhat in favor of the union.

Another, more important, explanation is to be found in the nature of the employment of the members of the union. There are always a large number of opportunities for part-time workers in the field of musical entertainment. Prior to the vast changes wrought by the introduction of the radio and of mechanical devices in the theaters, the union gained control over many of these opportunities, and because of relatively low dues for irregular workers was able to enlist among its membership most of the part-time workers. This group as a rule consisted of the less skilled workers who were pushed out of employment when many of the better musicians found their regular work taken from them by the introduction of sound devices. Hence, the union members formerly employed on regular engagements have often been forced to content themselves with partial employment, and many of those formerly engaged in musical entertainment as a "side line" have been deprived of this opportunity to supplement incomes obtained elsewhere.

The other factor that must be considered in explaining the continued affiliation of a large number of men either totally unemployed or working at other trades is the insurance inducement of the union. For the members not regularly employed at the trade the union dues were only \$20 per year in 1930. Such members are not

ordinarily subject to the other assessments which may be levied from time to time for special purposes. In common with the other members in good standing, they are entitled to benefits under the insurance plan of the Chicago Musicians' Club, as well as to the use of the clubrooms.⁹ While these benefits are not such as would justify retaining membership if dues of the organization were higher, they doubtless act as an important incentive under the present conditions. The initiation fee of \$100, although it acts as an important hindrance to entrance into the union at the present time, considered in the light of the employment opportunities and earnings even for part-time workers prior to 1927, can hardly be regarded as exorbitant. It must be noticed that although there have been some new members since 1927, they do not represent net additions to the unemployed reserve. The recently affiliated members have been for the most part among the regularly employed.

To these explanations should be added the fact that the local union claims a territorial jurisdiction over all of Cook and a part of Du Page counties. While most of the regularly employed members work in Chicago, some undoubtedly have regular employment outside the city, and hence should be allowed for in the figures as given.

For the Chicago Theatrical Protective Union, Local 2, there are certain conditions that are similar to those affecting the musicians. The organization claimed that fully 98 per cent of the stage

⁹The Chicago Musicians' Club is in reality composed of the same membership as the Chicago Federation of Musicians 10. It is perhaps best described as the social subsidiary of the Federation which administers the insurance system and operates the office building which is the home of the union. In brief, the insurance provisions call for payment to heirs of members of from six months to five years' standing of \$250; five but less than ten years' standing, \$500; ten but less than fifteen years' standing, \$750; of more than fifteen years' standing, \$1,000. Many of the older members are in the unemployed group where the insurance inducement is the greatest, and for whom payment of dues is suspended at the age of sixty-five, after ten years' membership (By-Laws, Sec. XII, J); Intermezzo (official organ of Chicago Federation of Musicians), July, 1929, p. 13; also June, 1930, p. 13).

employees in 1929 were union members. From other sources it is clear that this claim is substantially correct. Unlike the musicians, however, the stage employees probably found that the introduction of "talkies" in Chicago almost offset the loss of employment due to other factors. The use of sound devices increased the advantage of the larger chain theaters over the smaller independents and permitted the addition of somewhat more elaborate stage shows in some of them.¹⁰ Not only does there seem to have been some increase in the employment opportunities for stage hands due to the addition of numerous stage shows in the moving-picture theaters, but there have also been some added opportunities because of the servicing and maintenance of sound equipment. Most of these latter advantages have fallen in the way of the sister-organization of the motion picture machine operators, but the placing of horns behind the screens has accrued to the advantage of the scene-shifters as well.

Although it is clear that the musicians have sustained a net loss because of the introduction of sound equipment and that the gain of the stage hands has been on the most favorable interpretation only very slight, it is certain that temporarily, at least, the motion picture machine operators enjoyed a substantial increase in their bargaining advantage. The union's claim to a membership of 629 and of control over 98 per cent of the operators in the city has not been disputed by any employer representative. Fortunately, a rather exact measurement of the extent of control of this union

¹⁰The evidence of this point is not all in one direction. E.g., the Billboard under date of May 10, 1930, p. 3; states: "Two deluxe South Side houses (in Chicago), the Stratford and the Avalon, are dropping their presentations and become straight sound houses the middle of this month. The general tendency, however, is the other way." (*Italics mine.*)

is available by careful check upon the licences issued by the Department of Gas and Electricity of the City of Chicago.¹¹ During 1929, the Department's annual report indicates that 128 original licences were issued, and that 702 renewals of old licences were also made. This does not mean, of course, that at the close of 1929 there were 830 licensed operators in this city, but it does fix the outside limit at this number. Some of the men to whom licences were issued during the year may have moved out of the city, and some of them may have failed to find employment. Calculation on the basis of the number of moving-picture theaters in the city indicates that in accordance with the rules of the union there could not have been more than 782 operators employed in 1929.¹²

An important allowance as to the figure for union membership must be made before it is possible to determine the extent of union control. It is fairly clear that for the last five years the union has been a closed organization. The 629 members do not represent the total number of men over which the union has control.

¹¹Licensing of all the professional motion picture machine operators in the city is required by the council ordinance. See S. A. Ettelson, Chicago Municipal Code (1922) chap. lli, art. 1, secs. 2776-81.

¹²This figure is obtained as follows: The Film Year Book for 1929 lists 360 separate moving-picture theaters in Chicago, and reports the seating capacity for each of them. In addition to these, twenty-five are listed as not reporting, most of which, as well as some of those reporting according to evidence from trade papers, were probably closed at some time during the year. The total of 385 corresponds almost with the 388 reported by the Department of Gas and Electricity for that year (see Report for 1929). The 360 theaters reported by the Year Book are classified and grouped according to the seating capacity, and it is found that as nearly as can be determined, 15 were houses in each of which the union rules required five operators; 49 fall under the classification where four operators are required; 215 were so-called "two-men houses"; and only 81 were permitted to operate with one man. Calculation based on these figures gives a result of 782, which represents certainly the outside limit on the total number of operators. If it is objected that some of these theaters may not conform to union requirements, the answer is that if they do not, except for the last "one-man" group, allowance for this would probably mean that the total figure would be less rather than more than 782.

For some years past the union has had in addition to its regular membership what may be called an "associate membership" and has issued "permit cards" to extra men when there have been employment opportunities for more men than there were holding full membership cards in the union. Such evidence as is available suggests that probably something over one hundred such permits were effective in 1929. The reported union membership should thus be increased by at least this amount.¹³

Using this new figure, 729, as indicative of the number of direct and indirect affiliations with the union, and calculating on the basis of 782 as the total number of operators in Chicago, it is apparent that the union maintains control over at least 93 per cent of the working force. Confirmation of this conclusion is given by the fact that the union is known to have formal agreements with the two employers' organizations in the industry, which represent over 83 per cent of the number of theaters in the city. Since these include most of the larger moving-picture theaters, it is clear that control over employment in these theaters alone represents the ability to regulate more than 83 per cent of the employment opportunities. There is ample evidence, then, for the summary statement that here is an organization which exercised practically

¹³Although the issuance of "permit cards" has not been reported by the union directly to the writer, it has been possible to verify this fact from six different sources. Four of these were personal interviews, two with employer representatives, and two with men intimately acquainted with one or more members of the union. One was an employers' journal, Employers' News, October, 1928, and the final one was Federation News, June 6, 1931, p. 3.

It is clear, however, that the issuance of permit cards has not been as extensive as some employers claim. One employer, e.g., told the writer in July, 1930, that "five hundred permit men pay into the union every month 10 per cent of their wages." The state's attorney's investigation of 1931 has definitely confirmed the matter of the 10 per cent fee, but the contention that the union had five hundred permit men in 1930 is obviously an exaggeration. See Federation News, op. cit.

complete control over that part of the theater industry in which it claimed jurisdiction.

II. Working Conditions as Determined by Collective Action

An essential to understanding the terms and employment relations of union musicians is a general knowledge of the method of hiring such entertainers. The union is unusual in that many of its members are themselves employers. It is impossible to determine, on the basis of available information, any stable proportion between the number of contractor members and those who assume no responsibility other than the furnishing of their own talent. The shifting of members from the sphere of individual employees across the line to that of contractors is free and occurs continually. All that is required for a member to become a contractor is willingness and ability to assume the responsibility of managing a small crew of musicians.

Little or no additional capital is necessary, for it is customary for the individual members of a band or orchestra to furnish most of their own equipment. It is this rather easy route from the position of an employee to that of a small contractor which furnishes one of the most significant characteristics of the union's activity. Contractor members, however, do build up their individual organizations as well as a reputation for contracting. This fact gives some continuity and stability to the contractor class.

Because of the possibility of confusion which this situation creates, it will be well throughout the subsequent discussion to adhere to the term "contractor" whenever referring to union members who hire other members to help fill engagements for which they are employed. Except where otherwise indicated, the term "employer" is reserved to designate theater managers, hotel proprietors, and

other individuals outside of the union who secure the services of union musicians either by dealing with union members acting as contractors or with individual members in the case of soloists. The union rules specifically provide that when more than one member is hired, some one of the group must act as contractor and be paid the contractor's scale.

While the union follows the regular practice of other labor organizations in making some collective agreements with the employers of its members, the majority of its members work under terms defined by contracts negotiated by contractor members in accordance with union rules or collective agreements and under the protection of the Federation. This practice bears some resemblance to that followed by the members of Actors' Equity.¹⁴ It differs in at least one important respect, in that contracts made by the contractor members must allow for wage rates at least equal to minimum standards set by the union. In addition to the foregoing requirement, certain other specifications limit the formation of these separate contracts. All contracts for engagements of four weeks or more and for theater engagements of one week or more must be submitted to the Board of Directors for their approval, and afterward filed in the custody of the recording secretary of the Federation.¹⁵

It is fairly certain that the use of the term "contract" in its correct technical sense of "a promise or set of promises for

¹⁴The general employment relations of the members of Actors' Equity are determined in accordance with the terms of a ten-year agreement, the present expiring in 1934, between Equity and the Managers' Protective Association. Among other features of this agreement is the provision that the individual contracts of employment between the members of the Managers' Association and the members of Equity shall conform to a standard set by the union. In this case wage rates are left entirely to negotiation between the employer and the individual workers. See Billboard, July 21, 1928, pp. 1, 89; also U.S. Bureau of Labor Statistics, Bull. 402.

¹⁵Local 10, By-Laws (revised May 15, 1930) sec. 12, paragraph 20 d and e.

the breach of which the law gives a remedy"¹⁶ is justifiable with reference to these agreements. None of the perplexing questions as to the competency of parties, legality of subject matter, or adequacy of consideration, which necessarily confront courts when endeavoring to determine the status of the collective agreement, is present. As will be seen later, the view that these agreements are binding contracts is clearly supported by the Balaban and Katz case previously cited, and by the fact that they are treated as such by the union. The procedure of submitting the contracts of members to the Board of Directors of the union for approval and the filing of these contracts in the original with the union secretary places strict supervision of terms and enforcement in the hand of the union officials. Because of this it is unnecessary for members to resort to redress from a public court of law. The structure of the comprehensive internal machinery for the settlement of claims, which has been built up by the union, is directly related to the establishment of terms of employment, and so calls for a brief description at this point.

The powers of judicial control over the enforcement of the union rules and the agreements of the contractor members are vested in two biennially elected boards. The superior of these, known as the Board of Directors, consists of the president and vice-president of the union and five other elected members.¹⁷ In addition to its broad powers of general supervision over all of the business of the union, it also possesses the specific authority to "call for papers and witnesses, adjudicate appeals properly brought before it,.... impose fines and penalties, reduce, remit or stay

¹⁶See American Law Institute, Restatement of the Law of Contracts (official draft, 1928), sec. 1, p. 17.

¹⁷Constitution (revised May, 1930), art. iii.

fines, render judgment against non-members for unpaid services, make necessary contracts and levy assessments, and amend the by-laws and wage scale in case of emergency only."¹⁸ The board or the president is vested also with the power to "cite members to appear before them for investigation whenever in their judgment there is sufficient reason, and if after such investigation they are of the opinion that the member is guilty of the violation of the by-laws or wage-scale, they may order the recording secretary to enter charges against such member, and the president or any members of the Board of Directors appoint by him for that purpose shall prosecute such charges before the Trial Board."¹⁹

It will be noticed that by virtue of the foregoing section the members of the Board of Directors exercise the fourfold function of police officials, grand jury, prosecuting attorney, and judiciary.

Appellate jurisdiction of the Board of Directors is exercised in cases where the original charges before the Trial Board have not been filed by a director. Original jurisdiction occurs only in cases where charges are filed by "non-members against members, or by members against non-members," that is to say, in cases where third parties not carrying cards in the local are involved.²⁰

The other body possessing judicial powers is the Trial Board, which consists of nine elected members. As may be inferred from the discussion of the powers of the directors, the Trial Board is the lower court possessing jurisdiction over cases where the charges are brought against members of the union. These charges may be brought before the Trial Board either by the Board of Directors as described above or by another member of the union. The only dif-

¹⁸By-Laws, sec. 6 b.

¹⁹Ibid., sec. xiv a,

²⁰Ibid., sec. xiv c.

ference between the handling of cases brought is that when the charges are filed by a member of the union, an appeal may be had to the Board of Directors from the decision of the Trial Board, while in the cases instituted at the action of the directors, the appeal from the Trial Board goes directly to the Executive Board of the American Federation of Musicians. In all cases where no appeal is taken, judgments of the Trial Board are referred to the Board of Directors for execution.²¹ Unlike the latter board, the Trial Board, as its name indicates, has only to adjudicate cases properly brought before it and to impose fines and penalties in accordance with its judgments.

The mechanism described above means that literally hundreds of individual contracts of employment will be filed with the union secretary and become subject to the enforcement of the union machinery. A standard-form contract blank approved by the Board of Directors is available to all contracting members who wish to use it.²² If the standard form is not used, most of its important provisions must be included in the contract executed. The provisions relate to the number of men employed, the minimum scale, and general conditions regarding the recognition of the union. The last of these three sets of provisions is uniform for all contracts, while the first two will vary with the type of engagement contracted for.

Among these provisions uniform for all contracts is the clause that ".... if there are any bands or orchestras playing for this engagement which are unfair to the American Federation of Musicians,, this contract shall be null and void at the option of the party of the first part." The effect of this clause is to require that em-

²¹Ibid., secs. livb, xv, and viiic.

²²Ibid., sec. xii, p. 5. Apparently somewhat more local autonomy is granted the Chicago union than is generally recognized for the other unions affiliated with the American Federation. See U.S. Bureau of Labor Statistics, Bull. 506, p. 198.

ployers who have occasion to hire more than one orchestra must secure them all from union contractors or lay themselves open to strike by the union men hired, even before the regular termination date of the contract with the union men. Concretely the significance of this clause appears when a theater chain operating in several cities employs a union orchestra in Chicago, but refuses to do so, say, in Philadelphia. The Chicago union could strike against such a theater chain without violating its own agreement. Still greater freedom in sympathetic action is granted under the clause: "As the musicians engaged under the stipulations of this contract are members of the American Federation of Musicians, nothing in this contract shall be so construed as to interfere with any obligation which the musicians owe to the American Federation of Musicians by reason of their prior obligation to the American Federation of Musicians as members thereof." The practical effect of this provision is to permit the American Federation to make agreements calling for sympathetic action of its locals with other unions in the amusement industry. Such an agreement between the International Alliance and the American Federation of Musicians was in effect in 1929.²³

In order to permit the union to withdraw its members in case the contractor does not keep in good standing with the union during the term of his contract of employment, it is compulsory that contractors include in all their contracts with employers the following statement: "If for any reason the party of the first part ceases to be a member of the American Federation of Musicians, this contract shall become null and void."

Added protection is assured by the requirement that the employer must promise to provide compensation in accordance with

²³See International Musician, June, 1929, p.8.

Illinois law and that they will not advertise "a larger number of musicians than contracted for."

All of the foregoing requirements have been a part of union practice for some years. Recently some additional rules have been formed, the more important of which provide that on all steady engagements four weeks' notice is required to terminate, and that contractors must inform the union when the employer serves notice of termination.²⁴ A rule of some standing has recently been held by the union officials to have universal application to all classes of steady engagements. This requires that musicians under contract for a definite period and "... who are paid for the full quota of basic hours regardless of whether their services are utilized for the entire basic period, are not permitted to accept other employment during the hours specified in their contracts, unless a substitute is put in their place and paid during the time they work elsewhere."²⁵ Whatever may be the relation of this rule to the trade-union "make-work" theory, its intent is to prevent employers from undercutting union standards by using the same musicians for two engagements within a given time period.

With reference to all of the foregoing provisions, it can hardly be said that any real bargaining takes place. The union settles upon these terms. They are not decided by negotiation and compromise between union representatives and agents of employers. Except where an employer may hire single members of the union for solo engagements, the union rules require that there must always be a contractor or leader. This contractor makes the arrangements covering employment conditions for all the members of his group, and he must include the foregoing terms in his written contract.

²⁴Intermezzo, December, 1929, pp. 1,7.

²⁵Ibid., p. 19.

The consequences of this manner of procedure are that negotiations with employers are largely confined to the settlement of only two questions: the number of men to be employed and the wage rates and hours to be accorded to them.

Even negotiations on the questions of numbers to be employed and wages to be paid are confined to a limited group of employers. The members of the Chicago Symphony, Civic Opera, and Ravinia Opera orchestras, as well as the musicians playing in the theaters, are governed by minimum wage rates arrived at by higgling between employers' representatives and the agents of the unions. In almost all other cases the union scale is fixed by union machinery and is influenced only indirectly by employers' actions.²⁶ Even in the important field of radio broadcasting, no active participation by the employing group in negotiations regarding wage rates and working conditions prevailing before 1931 can be said to have taken place. An official of Local 10, speaking of the 1930 regulations, stated: "We simply drew them up and the employers have had to conform. Since this is getting to be our most important field of activity, it is likely that in the future negotiations with the employers will take place and formal agreements will be signed."²⁷

It will be convenient to defer discussion of the specific terms of the musicians' wage scales and treat them along with the

²⁶Sec. xxiva of the By-Laws applying to this matter reads: "Amendments to the By-Laws (proposed either from the floor or by the standing committee) or wage scale (proposed usually by the Board of Directors) must be proposed in writing at a regular meeting of the local. Consideration of proposed amendments shall be referred to the next regular meeting and must be approved by a two-thirds majority vote of the members present and concurred in by the Board of Directors before they shall be considered in effect."

²⁷Apparently in the agreement with the National Broadcasting Co. formed in April, 1931, and the subsequent agreement with the Chicago Broadcasters' Association made in January, 1932, the predictions of this official were in part realized. See Federation News, May 2, 1931, p. 6; January 2, 1932, pp. 1, 3; January 9, 1932, pp. 1, 3.

rates established by the other two important unions in the amusement industry. Attention is now turned to a description of the general conditions of employment of the stage employees and motion picture machine operators.

While the stage employees are affiliated with the same international union, a somewhat different set of circumstances influences the determination of their working conditions than that applying to the motion picture machine operators. The operators exercise a much greater degree of local independence than do the stage employees. The local unions of both classes of workers have established closed-shop conditions, and, as has been indicated, such conditions prevail throughout all the important theaters of the city. Isolated cases may be found where non-union stage hands or motion picture machine operators are employed, but these are distinct exceptions.

Although both of these local unions have rules similar to those of the Musicians' Local, which establish the priority of all obligations of the membership to the international union over any obligations recognized by local agreements with employers, the relation of the stage hands to the parent-organization is further influenced by national agreements covering traveling members. It is impossible to discuss the local conditions without taking some account of agreements made by the International Alliance with national organizations of employers.

Historically the national organization of the stage employees grew out of a situation in which theatrical amusement was confined largely to legitimate stage productions in the large cities. The next step in the development of the industry was the introduction of traveling stock companies visiting the smaller towns, and with this came the need for carrying specialized stage mechanics with

the traveling shows. The result was a natural one of defining the conditions under which these traveling mechanics worked by agreement with the national organization. In recent years the traveling members with each show visiting Chicago were limited to three, and the other men were hired through the local union and were subject to locally determined rates and conditions. A late modification of this rule applied to traveling shows of the Mutual Burlesque Circuit, and provided that shows operating under this management need carry only one stage hand while on the road.²⁸ In accordance with the rules of the Chicago local, one additional man must be hired locally to operate spotlights.

The union rules of the Stage Employees' local are, like those of the musicians, largely a matter of independent determination by the union. Negotiations with the Exhibitors' Association and the Managers' Association are confined largely to the settlement of the wage scales and of the number of men that shall be assigned to each class of theater. The terms with the Exhibitors' Association effective in September, 1929, continued for two years from that date, and in most of the motion-picture houses having stage shows called for two shifts of fifty-six hours per week and for a minimum crew of four regular men and an apprentice.²⁹ The few outlying theaters playing stock companies and the independent de luxe motion-picture theaters having stage shows were required to accept the terms agreed upon by the two employers' associations.

The agreement of the Operators, Local 110, dated January 11, 1930, was for a period of two years. Although the Independent Owners attempted to secure concessions not allowed the Exhibitors' Association, because of the strength of the union they were forced

²⁸See Billboard, August 9, 1930, p. 28; Variety, July 30, 1930, p. 76.

²⁹Agreement (1929-31), paragraph 3.

to content themselves with the terms agreed upon with the larger of the two associations. As a matter of fact, even the Exhibitors' Association has not been able to display a very strong hand in bargaining with the union. In the negotiations prior to 1931 there had been hardly any question of modifying the strictly closed-shop conditions. While arbitration was resorted to in a dispute occurring in 1927, it never seems to have been incorporated as a recognized principle in any of the recent agreements. The only new provision made in 1930 with reference to the settlement of possible disputes arising during the agreement applied to the installation of new equipment. It reads:

Any conditions arising over the installation of new equipment in the operating room, which would in any way change the conditions of the operators, shall be discussed by the business manager of the Exhibitors' Association of Chicago and the business manager of the Operators' Union, and if these two men cannot make an amicable settlement, the wage committees of both organizations will meet to find a solution.³⁰

The other provisions of the operators' agreement of 1930 concerned minor concessions or charges for extra work and changes in the wage scale. It was also required that "one man (instead of two as in 1929) is to be called with service men on sound equipment inspection and paid for time worked once a week."³¹ The concessions allowed the theater-owners with reference to extra work were that the time on the regular schedule paid for but not consumed in regular work might be used for any additional work necessary in the booth; that operators should report thirty minutes before the opening of the theater to prepare the films and equipment; that all overtime due to negligence of the operator and ten minutes of overtime on two days a week due to other causes should be allowed with-

³⁰Agreement (1930), sec. 8.

³¹Art. 11. The companies furnishing the more elaborate sound devices all provide at the time of sale or rental to the theater-owners for regular weekly inspection of equipment.

out compensation; and that one operator only might be called if the film was to be run through the machine for inspection before public showing.

The difficulty of abbreviating the wage scales of the theatrical unions is greatest with reference to the musicians. The regular rate structure of the union is divided into five sections, each being applicable to different types of places of entertainment. In April, 1930, an additional section was formulated applying only to radio broadcasting. Within each of these sections there are subclassifications depending upon the type of hiring. Nor is this the end of the detail. Superimposed upon the first four sections of the wage scale and applying to all of these sections (with certain exceptions) are no less than twenty-four different rules governing the extra charges to be made for special services, overtime, uniforms, playing of more than one instrument, contractors' fees, and the like. To illustrate merely one of the numerous possibilities: amusement parks are classified under section 4. The basic scale for such parks was \$50 per week for seven evenings of not to exceed "three hours playing in a period of three and one-half hours" each evening. An additional charge of \$15 was made for seven afternoon sessions of two hours each, making the total rate \$65 per man for a week of not to exceed forty-four hours. For a week in which a holiday occurred, this charge was raised to \$80 for forty-four hours. The contractor of the engagement was required to charge double these prices for his own services. Some of the more common extra charges in addition to the foregoing were \$3.50 extra per week for appearing in tuxedo or full dress, \$7.00 per week for appearing in blackface make-up, and if the engagement was for less than four weeks for any part of the orchestra or band, an extra \$2.00 per day was to be added to the scale for each man so hired.

Hence, if members of an orchestra were hired for an amusement-park engagement of three weeks and were required to appear with black-face make-up, the charge per man, exclusive of the contractor's charge, would be as tabulated:

For two performances per day for seven days
 (afternoon not more than two hours, and evening
 not more than three hours within three and one-
 half)..... \$65
 Extra charge for less than four weeks..... 14
 Extra charge for blackface..... 7
 Total weekly scale..... \$86

The illustration shown takes into account only a few of the numerous possible extra charges and gradations of the wage scale. It is obvious, therefore, that with such complex regulations in effect, an abbreviated presentation of the wage scale is likely to give little basis for an understanding of the union rates.

To a lesser extent the same difficulty applies when attempting to summarize the wage-scale provisions for the Stage Employees. This organization classified theaters in six categories, and the scales differed within each of these classes. A detailed table showing the weekly wage rates in 1930 for the various classes of workers in each type of theater with the exception of the Civic Opera Company is given herewith.

	Combina- tion Theaters 56 Hrs.	Traveling Repertoire 56 Hrs.	Vaude- ville Double Shift 49 Hrs.	De Luxe Movie Shift 49 Hrs.	De Luxe Movie; A.M. & P.M. 56 Hrs.
Carpenter, electricians, and property man.....	\$85.00	\$95.50	\$96.00	\$107.00	\$107.00
Asst. carpenter....		85.50	.....	90.00	92.00
Asst. property man. 27.50		30.00	30.00	40.00	92.00
Asst. electrician.. 25.00		30.00	30.00	40.00	92.00
Head flyman.....			79.50	.....	.....
Front lamp operator		85.50	75.00	85.00	.....
Apprentices.....					40.00
All others.....		81.00	75.00	81.00	.....

It will be noticed that the organization attempted to divide the work in all theaters into three departments: namely, the carpentry, property, and electrical department. For the de luxe theater the minimum crew consisted of a head of each department, one assistant property man, and one apprentice. The rate for overtime took effect at midnight in all classes of theaters except for the de luxe shift moving-picture theaters, where it began at eleven, and was charged at double the pro rata weekly scale.³²

Because of the special importance accorded to "extras" in the musicians' wage structure, a summary of even those rates applicable in the Chicago theaters must be suggestive rather than accurately descriptive. The basic weekly scales for motion-picture houses fixed by the agreement with the Exhibitors' Association are arranged in the given schedule.³³

Sept., 1928--Sept., 1929 Sept., 1929--Sept., 1930

Class VI theaters.....	\$65	\$70
Class VII theaters.....	85	90
Class VIII theaters.....	88	93

The basis for the classification indicated was as follows: Class VI included all neighborhood theaters with seating capacity of one thousand but less than two thousand; Class VII comprised so-called de luxe theaters where the admission charge did not exceed 50 cents and which with one or two exceptions had seating capacities of more than two thousand; Class VIII included all other de luxe theaters having admission charges of from 50 to 85 cents. It should be remembered that the scales quoted in the schedules shown were basic, and the possibility of extras may bring the actual earnings under the agreement up \$15 or \$20 per week above

³²Agreement (1929-31).

³³Bill of complaint in Balban & Katz v. Federation of Musicians for 1928-29 scales. Changes in these rates extending to September, 1930, were recorded in Intermezzo, October, 1929, p. 16; also Chicago Tribune, September 2, 1929; Agreement (1929-30).

the quoted scales. It is this possibility which accounts for publication of statements giving union scales as considerably higher than those recorded.³⁴

With respect to the wage scales established by the Operators' Union, it is possible to be brief, yet fairly accurate. The rates incorporated in the agreement for the year 1930 called for hourly pay ranging from \$2.30 to \$3.25.³⁵ Since the hours worked per week vary from thirty-three in the smaller neighborhood theaters to forty-two in the larger houses, the hourly scale figures to \$82.50 per week in the smaller theaters and \$137.30 in the so-called deluxe shift houses.³⁵ With these conditions and terms of employment as determined by collective action in mind, it will now be appropriate to inquire in detail into the broader question of what has been the nature of the relations between the parties under union conditions.

III. Character and Methods of Union Control

Two important disputes occurring in the theaters of Chicago within the last five years serve as a starting-point for an understanding of the major problems concerning industrial relations better than an extended general discussion. One of these, arising in September, 1927, involved the Operators' Union in the first instance, but developed to a point where all three of the major unions were concerned.

³⁴See Chicago Tribune, August 26, 1930, where the 1930 rate is listed as ranging from \$92 to \$130 per week. Also Federation News, August 30, 1930, p. 12, where 1930 rates are quoted as ranging from \$104 to \$130.

³⁵Data on scales and hours obtained by direct interview with a union official and employer representatives. A bitterly fought struggle of over three months' duration beginning in midsummer, 1931, between the Independent Owners and the union, among other things resulted in a 20 per cent reduction in these basic rates. See Federation News, November 7, 1931, p. 14; also *infra*, p.229, n. 55.

It has been customary for the Operators, even when making agreements for more than a year, to have the clause concerning wage rates terminate at the beginning of each year. The Musicians and Stage Employees, on the other hand, ordinarily follow the practice of bringing up the matter of wage scale immediately before Labor Day.

On August 28, 1927, when the agreement of the Operators with the Exhibitors' Association still had about four months to run, the Orpheum Circuit, which had recently taken over the Belmont Theater, a fifteen-hundred-seat neighborhood house, discharged two of the four operators. The union contended that a violation of the agreement had taken place. The Exhibitors' view of the case seems to have been that since the Orpheum Company had not been managing the Belmont at the time the agreement was made, it clearly had a right to change the policy with reference to the projection room. Whatever may have been the merits of this controversy, immediately upon the discharge of the two operators, the union representative demanded their reinstatement pending conciliation of the dispute; and failing to secure this, the payment of a lump sum equal to the total amount of wages that would have accrued to the discharged operators between the time of their discharge and January 11, 1928, the date of termination of the agreement with the Exhibitors' Association.³⁶ When neither of these demands was conceded, the union officials called a strike against all the nine theaters in the city managed by the Orpheum Circuit.

The Musicians and the Stage Employees, whose agreements with the Exhibitors' Association terminated September 1, had already begun negotiations for a renewal. The Stage Employees were demand-

³⁶Federation News, September 3, 1927, p. 3. At \$90.30 per week the sum demanded amounted to \$3,070.20.

ing an increase of 10 per cent in wage scales, had assumed an aggressive attitude, and were prepared to strike in the event that it was necessary in order to enforce their demands. It seems that the Exhibitors and the Stage Hands had already agreed to compromise terms when the dispute in the Belmont case appeared upon the horizon.³⁷

The Musicians' Union had concerned itself primarily with an effort to force the managers of forty-seven of the small theaters affiliated with the Exhibitors' Association to instal four-piece orchestras. The strike of the Operators broke out before any terms had been agreed upon with the Musicians.

On August 30, the day following the issuing of the strike order, the Exhibitors' Association took up the gauntlet and assumed the most determined position the employers had ever taken against the unions. It answered the strike of the Operators with a lock-out in all of the three hundred theaters controlled by its members.³⁸ To assure the success of the lockout, the officials of the Exhibitors' Association also entered into arrangements with the managers of eight of the important film exchanges in the city whereby the distributors agreed to refuse delivery of films to any theater that wished to make an individual settlement with the union.³⁹ Although the lockout of the Association was formally directed at the motion picture machine operators, it had the effect of closing down all

³⁷Interview with an official of the Stage Employees' Union; also Monthly Labor Review, October, 1927, p. 120.

³⁸Ibid., p. 120; also Federation News, September 17, 1927.

³⁹Several of the film exchanges involved were directly connected with the management of the larger chains of theaters. This action on the part of the Film Distributors and the Exhibitors' Association led to the filing of a criminal bill by the federal government, charging restraint of trade under the Sherman Act. This case was still pending in September, 1930. Pleas of not guilty had been entered as to each of the defendants, but none of them had actually denied that stoppage of films had taken place. See Billboard, March 31, 1928, p. 5; also U.S. v Silverman et al., Criminal Case 16849, Records of Clerk, U.S. District Court, Northern District of Illinois.

all the theaters, and so laying off the members of the other unions as well.

Efforts of the United States Department of Labor Conciliation Service to bring about an amicable settlement of the dispute met with failure. Three days passed without visible sign of progress toward settlement. On September 3, at the instigation of the mayor of the city, the representatives of the parties were brought together for conference. After an all-night session, prospects of settlement appeared on September 4. For the Motion Picture Machine Operators, with which Mayor Thompson's conference was primarily concerned, the settlement must be characterized as a complete victory. The two men whose positions were in question at the Belmont were reinstated with full pay for time off, until January 11, with the understanding that on that date, when the operators' agreement terminated, the question of the number of men to be employed was to be reopened for further consideration.⁴⁰

The other two organizations were accorded compromise settlements. The Stage Hands, who had asked for a 10 per cent increase in rates, were granted increases of from 7 to 8 per cent. The Musicians, who had asked for a forty-four-hour week guaranty in the theaters belonging to the Exhibitors' Association then using orchestras, as well as for the installation of four-men orchestras in some theaters not then using musicians, were accorded an agreement providing for four-men orchestras for a period of forty-four weeks in eight specifically named theaters, and similar orchestras for a period of forty weeks and thirty-five weeks in thirty-three and six theaters, respectively.⁴¹ The theaters in all three of

⁴⁰Monthly Labor Review, October, 1927, pp. 1, 20.

⁴¹Lubliner & Trinz v. Chicago Federation of Musicians, In Equity, Case 8563, Records of Clerk, U. S. District Court, Northern District of Illinois. This case arose out of the same set of circumstances as that of Balaban & Katz v. Federation of Musicians already cited.

of these groups were among those classified as Class VI theaters by the union. The agreement covering Classes VII and VIII houses, which are the so-called de luxe theaters, had been made in September, 1926, for a three-year period, and did not expire until September, 1929. No question was raised, therefore, as to the number of musicians or wage scales applicable in these larger theaters. The outcome of the 1927 dispute may then be summarized as a complete victory for the Operators' Union, and partial victories for the Stage Hands and the Musicians.

It will be well before inquiring into the significance of the 1927 dispute to state the facts of the second important controversy in the industry which has already been referred to. This time only the Musicians were involved. The agreement made in 1926, the terms of which have already been presented, was to expire in September, 1928, in the smaller theaters and a year later in the larger ones. In the summer of 1928, the officials of the union presented their demands to the Exhibitors' Association. These demands included the addition of five new theaters to the group agreeing to employ four-men orchestras for a minimum of forty-four weeks during the year and the insertion of a clause in the agreement to the effect that "any theater listed in the agreement, regardless of change in policy, which installs Vitaphone, Movietone, or any other mechanical instrument which carries with it orchestral music during the term of this agreement, must employ at all times the instrument is in operation, a minimum of six men exclusive of the organist."⁴²

A further effort to control the installation of sound devices was incorporated in demand No. 3 of the union, which stated that any new theater having more than eight hundred seats, built during

⁴²Billboard, July, 1928, p. 5. Full details as to the union demands are found in the records of the court in the cases cited above.

the life of the pending agreement, must employ four men, exclusive of organist, for a period agreed to by the Exhibitors' Association and the union. When it became apparent that these demands were not to be conceded easily, the union officials prepared for a "finish fight."⁴³ Before the strike order could become effective, two of the larger exhibitors were granted injunctions by Federal Judge Wilkerson. It will be remembered that the agreement of the union with the exhibitors covering Classes VII and VIII houses was not to expire until September, 1929. Unfortunately for the union, the Balaban and Katz organization, which at that time controlled twenty-eight theaters, had seven Class VI theaters. A similar overlapping of ownership existed for some of the other larger chains. Hence the president of the union was forced to announce, "There is an overlapping of interests that would make it impossible to deal with one class while fighting another."⁴⁴

Thus it was that the union found itself in the position of being forced to strike against the larger houses in breach of its agreement with them, if it were to strike against the smaller theaters to bring about an acceptance of its demands. In issuing the injunction against the strike, the judge held thereby that the union agreement was a valid contract, and was not to be broken by strike orders. In an analysis of the injunction, the union attorney, Mr. Clarence Darrow, advised the membership "as to those members of the union whose contracts do not expire on September 2, 1929, the members are urged to carry out the terms of their contracts as made, regardless of whether other contracts expiring on September 2 are renewed or not."⁴⁵

⁴³Billboard, September 8, 1928, p. 3.

⁴⁴Mr. James C. Petrillo, Chicago Evening Journal, August 30, 1928.

⁴⁵Intermezzo, October, 1929, p. 22. Reprints of this opinion in detail continued to appear in the official journal of the Chicago Federation of Musicians for more than a year after the injunction was issued.

Protected by federal injunction, the theater-owners continued to operate without the services of musicians in Class VI houses for a period of one week. Contrary to some predictions at the time, neither the Motion Picture Operators nor the Stage Hands supported the Musicians to the extent of declaring sympathetic strikes.⁴⁶ Nevertheless, in the conferences which took place during the first silent week, the representatives of both the Operators and the Stage Employees took an active part. In fact, it is extremely doubtful whether without the assistance of these two officials the Musicians' Union could have received even as favorable a settlement of the dispute as was accorded it. The terms of the settlement provided that the men were to return to work on Thursday, September 14. Of the fifty-two theaters involved, twenty-two were placed in the group promising to hire four-men orchestras for forty weeks, while twelve promised to hire similar orchestras for thirty-five weeks in the year. The remaining twelve were then in the hands of receivers, and the new agreement called for the employment of four-men orchestras only during the period of receivership. The penalty clause which provided for the hiring of two additional men in the event of the installation of sound equipment was gracefully forgotten. Since it was this demand which the Exhibitors maintained would make them "a party to an unlawful secondary boycott and combination and conspiracy in restraint of interstate commerce,"⁴⁷ and was their chief source of complaint, the settlement as agreed upon must be interpreted as a victory for the Exhibitors. These two cases have been dealt with in some detail because they illustrate in concrete form the more important sources of friction existing between the employers and the union.

⁴⁶Chicago Evening Journal, August 30, 1928; also Billboard, September 8, 1928, p. 3.

⁴⁷Bill of complaint in Balaban & Katz v. Federation of Musicians.

A part of the background essential to an understanding of the problems illustrated by these cases is a realization of the distinction between the so-called independent exhibitors, commonly referred to in the trade as the "Indies," and the chain theaters. Historically, the chain theaters have grown out of the larger deluxe houses, by which term the large moving-picture theaters with elaborate stage shows as well as pictures are known in the trade. In Chicago one of the more important chains began as a private local organization engaged in operating several of the largest moving-picture houses in the city. It was later taken over as a part of the properties of one of the largest film-producing and film-distributing companies in the country. This gradual evolution indicates the development of the intimate relations now existing between the larger chains of theaters and the film producers. The next step was for the chains to add many of the better-located small neighborhood theaters to their properties. So important have these chain theaters become in the last few years that it has been asserted that they comprise 31 per cent of the number of theaters in the United States, and control 55 per cent of the total seating capacity. Fully 50 per cent of these chain theaters are under producer management or affiliation, and they represent about 30 per cent of the total theater seating capacity of the country.⁴⁸ A general examination of the Chicago situation indicates that the proportion of control by the producer-chain theaters is higher than the figures for the nation. Most of the Chicago theaters with seating capacities in excess of one thousand belong to producer controlled chains. The independents control probably 70 per cent of the total number of theaters in the city, but they confine themselves to smaller houses having less than one thousand seats.

⁴⁸Billboard, August 17, 1929, p. 20.

Although it is true that the independents have felt the pressure of union regulations more keenly than the larger chain houses, until 1931 they had to rely upon the larger houses to give the active resistance to the union's demands.

The chief complaint of the employers against the unions in recent years has been with reference to the number of men required. In both of the cases previously reviewed, it so happened that the interests of the independent exhibitors were identical in character but not in degree with those of the chain-owners. In the dispute of 1927, the larger houses had somewhat less at stake than in the struggle with the Musicians the following year. It was no mere accident, therefore, that the issues in the second of these disputes were settled in favor of the employers.

It was with the introduction of sound pictures that the complaints of the exhibitors against union control came out in sharp relief. This important revolution in the industry began to take place in 1926, but it was not until October, 1927, that the exhibitors had become definitely convinced that talking equipment was to be an essential requirement in the modern moving-picture theater.⁴⁹ It is to be noticed that this latter date corresponds almost exactly with the Belmont Theater dispute. The industry was only then beginning to work out the regulations regarding the operation of talking pictures, and it is doubtful whether the Exhibitors or the unions fully realized the future significance of principles which were then being established.

During the days of silent pictures, the motion picture machine

⁴⁹The important dates in the development of the application of sound-motion-picture exhibition are April, 1926, when Warner Brothers were licensed under Western Electric patents to produce sound pictures, and October, 1927, when their first important sound picture, "The Jazz Singer," was exhibited. See Will Hays, See and Hear (1929), p. 40. Numerous sound installations were reported for Chicago throughout 1929 as well as 1928. See Billboard, March 2, 1929, p. 23; May 4, 1929, p. 5.

operators were required to thread the film through the machine and then to see that the film went through the machine properly. With the introduction of talking pictures a turntable was mounted near the standard projection machine. Records similar to those used on an ordinary phonograph were placed on the turntable, and through a system of wires the sound was transmitted after amplification to horns placed behind the screen on the stage. The turntable and the projector were operated by one and the same motor, geared so that the sound was synchronized with the pictures projected on the screen.⁵⁰

This was the type of equipment being introduced generally in 1927, when the Belmont Theater dispute arose. Previous to that time a number of local unions in other cities with the approval and assistance of the International Alliance had already established the rule that at least two men were to be required for the operation of motion-picture machines with sound devices attached. Even with this equipment there is some doubt as to whether more than one operator was needed. A prominent exhibitor who is well acquainted with the amusement industry throughout the country makes the statement: "It is significant that in every union situation in this country, two men were demanded and secured for the operation of sound on disks, whereas in hundreds of non-union situations, the one non-union operator learned to operate sound on disk and continued to work it without help."⁵¹

The next step in the development of sound motion pictures was the perfection of devices which permitted the recording of sound on film. The sound record, when this method is used, "consists of a ladder-like band of microscopic lines running along one side of the film." The presentation of this film in the theater is also

⁵⁰Harold B. Franklin, Sound Motion Pictures (Doubleday, Doran, 1929), pp. 38 ff.

⁵¹Letter to the writer, August 13, 1930.

done through a standard projection machine like that formerly used for silent pictures. To this projector a sound-recording unit is attached which includes a light which is reflected on to the record of lines on the film. "As the sound record on the film passes the light, it interrupts the constant light shining through it and sets up light variations corresponding with those photographed. These variations then fall on a photo-electric cell, which changes the light variations back to electrical vibrations. The latter vibrations, being too delicate to be heard directly, are accordingly amplified and carried by wire from the projection booth to the horn placed back of the screen from which the sound emerges."⁵²

Since the development of this method of recording sound on the film, the majority of producers have used this new technique, and have given the exhibitors the option of having the same picture with the sound recorded either on the disk or on the film. As the main item of cost in equipping a theater for the exhibition of sound pictures lies in installation of the transmission system which must be installed regardless of whether sound on film or sound on disk is used,⁵³ most of the theaters have equipped the projection booths with devices which enable them to use both types of sound pictures.

For present purposes, the essential thing to be noted with reference to the sound on film method of presentation is that it requires from the projectionist almost the identical operations which he performed when silent film was being used. It has not taken the exhibitors long to realize the significance of this fact. The large houses, even during the days of silent pictures, were using four or five projectionists. Thus the introduction of sound

⁵²Franklin, *op. cit.*, pp. 42-44.

⁵³See *Billboard*, June 25, 1927, p. 7; December 15, 1928, p.15; July 20, 1929, p. 19.

meant little change in the cost of maintaining their projection rooms. Even when using the sound on disk method, these theaters had enough, or more than enough, operators to satisfy the union requirements. It was the smaller theater operating with one projectionist, in general the independent house, that felt the pressure of the "two-man rule" most keenly. Especially since the use of sound on film has become common have these exhibitors, not only in Chicago, but in other cities as well, complained bitterly of the effect of the "two-man rule."⁵⁴ So strong has been the opposition to this rule that over one hundred of the smaller theaters affiliated with the Independent Owners chose to express their protest in the form of a lockout in August, 1931, even though the agreement with the union did not terminate until January, 1932. For present purposes a significant feature of this dispute lies in the fact that the Independent Owners group was not joined in this move by the larger theaters.⁵⁵

⁵⁴Interview. Also see Chicago Tribune, January 8, 1930; January 10, 1930; February 4, 1930; and Chicago Daily News, July 28, 1930. For data on conditions in other cities see, Variety, July 30, 1929, p. 38; Greater Amusements, August 9, 1930, p. 5; August 16, 1930, p. 5.

⁵⁵Although not strictly within the time limits of this study, the dispute of 1931 is so significant for the analysis here presented that a brief review of the case may well be made. Protests from employers regarding the pressure of wage scales and the "two-man rule" had become so vigorous by 1931 that in June the union voted to "donate one week's pay to the employers." (On the basis of a thirty-six-week year, this was a reduction of a little less than 3 per cent.) See Federation News, May 23, 1931, p. 3. This was not sufficient to quiet the smaller theater-owners, who after directing various charges against the officials of the union, chose to center attack upon the "two-man rule." Over one hundred of them, under the leadership of their association, the Independent Owners, locked out the members of the union early in August, 1931.

Although it is difficult to regard the agreement in this case as a technical contract, the lockout was at least in violation of the intent of the agreement, which did not terminate until January 11, 1932. The union's contention that the "two-man rule" was a measure designed in the interests of public safety should also be given due weight. Probably both sides overstated their cases, for while it may be true that the high degree of heat generated by projection lamps and the inflammable character of films necessitated two operators in many booths, it does not follow that this is true in all theaters or that (note continued on the next page)

The spreading of chain control to the smaller neighborhood theaters accounted for the united front which was shown by the exhibitors in 1927. But this solidarity was very temporary. The chain houses found the closing down of their larger as well as smaller houses necessary, and here the losses involved compared with the possibility of any economies which might be gained in the projection room made the fight not worth their while. For the larger Chicago theaters the coming of sound meant increases in the wages paid to projectionists, but for the smaller ones it has meant not only increase in rates, but an increase in the number of operators as well.

It is of significance in this connection that every increase in rates demanded by the operators has been conceded first by the larger exhibitors and only after delay and bickering by the smaller ones.⁵⁶ This was even more evident in the negotiations over the \$2.50 weekly increase accorded the operators in 1930 than it was earlier,⁵⁷ because of the split of the Exhibitors in 1929 and the formation of the Independent Owners. After the older Exhibitors'

both men must be of equal skill and paid the same rate. The theaters, on the other hand, were uncompromising in their demand of a complete abandonment of the "two-man rule."

After more than four months' dispute, settlement was finally reached late in October, 1931. The outcome was a 20 per cent reduction in the scales and a modification of the "two-man rule" to the extent that the owners in twenty theaters with seating capacities of less than four hundred agreed to act as the second operator under a union permit. By virtue of a clause in the agreement with the Exhibitors' Association, the wage reduction applied to the theaters affiliated with it, although they were not parties to the lockout. The union must be credited with having effectively met the problem, and although it had to make concessions, in some respects the test may have strengthened rather than weakened the organization. See Monthly Labor Review, October, 1931, p. 118; Federation News, May 23, 1931, p. 3; June 6, 1931, p. 3; August 1, 1931, p. 1; August 15, 1931, p. 1; August 22, 1931, p. 1; August 29, 1931, p. 1; October 17, 1931, p. 3; October 23, 1931, p. 4; November 7, 1931, p. 14.

⁵⁶Interviews with several exhibitors.

⁵⁷Federation News, January 8, 1930, p. 13.

Association had made terms with the union, the Independent Owners held out for a 50 per cent reduction in the scale for permit men. When the importance of economies in the projection room to these small exhibitors is borne in mind, the fact that the union demands were soon conceded is an indication of the vulnerable position in which the proprietors of the small theaters find themselves when acting alone.

The less favorable outcome to the Musicians' Union of the dispute in 1928 was the result of a similar set of factors operating in a different direction. For the de luxe motion-picture theater with seating capacity of more than fifteen hundred, the expense of maintaining an orchestra absorbed upward of 15 per cent of the theater's total expenditures⁵⁸ when operating under a silent policy. The hope of eliminating this item of expense was one of the main incentives to the introduction of sound equipment.⁵⁹ The freedom to dispose of orchestras was vital, therefore, to the program of installation of mechanical equipment. Even with so much at stake, it is doubtful whether the large exhibitors would have been able to gain the day had it not been for the fact that the interests of the three unions were divided. Both the Motion Picture Machine Operators and the Stage Employees were in a position to benefit by

⁵⁸Harold B. Franklin, Motion Picture Theatre Management (Doran, 1927), p. 211; letter by Mr. Franklin to the writer dated August 25, 1930; also Bulletin of the Associated Theatre Owners of Indiana, August, 1929, and interviews with Chicago exhibitors.

⁵⁹It has been suggested to the writer that the exhibitors commonly expected to divide this saving on orchestras roughly in the following manner: 50 per cent was to pay for sound equipment, 25 per cent was to be allowed as increase for motion picture machine operators, and the remaining 25 per cent was to augment profits.

Although it is true that the exhibitors expected to save more than enough to compensate for the cost of new equipment and so to retain, for a time at least, some excess profit, it is doubtful whether these expectations have been realized. Apparently other items in exhibitors' costs introduced with talking pictures have absorbed most of the expected economies. See Billboard, August 3, 1929, p. 43; August 31, 1929, p. 18.

the introduction of sound equipment. This fact, in conjunction with the economies which were expected, assured a settlement favorable to the exhibitors. The result was only short of disastrous for the Federation of Musicians. Whereas the union could claim about twelve hundred members employed in Chicago theaters in 1928, in the following year this number had decreased to eight hundred, and by 1930 only four hundred remained.⁶⁰

Weakened by unemployment of members in the theaters, the union has turned its attention to control over radio broadcasting. As early as 1924, the union considered the advisability of permanently debarring its members from playing for the radio.⁶¹ The decision was made in favor of permitting the membership to appear on radio programs and enforcing union regulations in this field. So active has the union been in working out rules applicable to this class of entertainment⁶² that it has been contended that whatever loss was sustained in the theaters has been offset by increased employment in this new field. As a part of the campaign of regulating conditions of broadcasting, the president in January, 1928, issued the order that no remote control would be granted by the union to any station that did not employ a minimum number of staff musicians required by the union. Stations were divided into three classes, and the first class was required to maintain an orchestra of ten men; the second, five; and the third, three.⁶³

⁶⁰Chicago Tribune, August 28, 1929. Interview with an official of the Musicians' Union. Throughout 1929 numerous large Chicago theaters discontinued the use of orchestras. See Billboard, July 6, 1929, p. 22.

⁶¹Union Labor News, March 22, 1922.

⁶²For instance, in September, 1927, the Employers' News suggested that the Musicians had been successful in enforcing a rule requiring amateur entertainers appearing on radio programs to carry the union card, with the explanation that "the command of the situation already established by the unionization of all other musical features of broadcasting programs made it possible for the union to enforce its demands, and complete unionization was practically accomplished."

⁶³Radio Broadcasting Wage Scale and Regulations; also Billboard, January 28, 1928, p. 8.

Whatever may have been the hope in regard to this rule increasing employment for union members, it can hardly be said to have had a revolutionary effect. The five largest broadcasting stations in the city, which were classified as Class I stations, either were already employing more than the union minimum or needed to add only one or two men in order to meet it. Apparently only eight of the other twenty-one stations located within the jurisdiction of the Chicago local saw fit to agree to this proposal.⁶⁴

A requirement which was to be effective March 1, 1929, provided that all men operating mechanical musical devices at radio broadcasting stations must be union members.⁶⁵ This regulation has been cited as indicating the strength of the union.⁶⁶ Its real effect, however, seems to have been merely to confine the use of phonographs largely to stations already operating without union men.⁶⁷ The foregoing regulation, designed to protect the field of radio broadcasting for union members, can be said, then, to have been only partially effective.

The claim that employment in radio stations has offset the loss of employment in theaters is unsound. At most, the unionized stations of Chicago employed only four hundred union members in 1929. When it is recalled that Chicago theaters employed at least eight hundred fewer musicians in 1930 than in 1928, it is clear that some absolute loss of employment opportunities has been sustained. If figures were available for the volume of employment in theaters prior to 1928, it is likely that the loss would be seen to be even greater.

⁶⁴Billboard, February 25, 1928, p. 6.

⁶⁵Intermezzo, March, 1929, p. 1.

⁶⁶"Chicago Musicians claim to be the most highly unionized in the world. How highly is shown by the fact that any man that plays phonograph records in any radio studio is a union musician" (Federation News, December 21, 1929, p. 6).

⁶⁷Billboard, February 25, 1928, p. 6.

With the decrease of employment there has necessarily been a simultaneous shrinkage in the extent of union power. Nevertheless, it must be conceded that the situation has been met with considerable acumen by the union leadership. With the purpose of eliminating some of the unemployment in the ranks, the officials sponsored in the summer of 1929 a series of thirty public band concerts. From numerous permanently employed members of the union and from the public, the union collected more than \$27,000 for the purpose of supporting these concerts.⁶⁸ With this fund it was possible to employ ninety musicians for a period of six weeks. In this way a part of the burden of unemployment was placed upon the regularly employed members.

Because of the intimate relation between the various locals of stage employees and their parent-organization, it is impossible to treat the Chicago situation as independent of international policy. Complaints are frequent that this organization will brook no interference from the outside and has pushed its demands to a point where they are burdensome. The following statements by a Chicago contributor to the Billboard Forum is typical of a number of others cited below.

From my close observation I will say that if left alone with their "gangster" methods there will be no more I.A.T.S.E. in another year or two. Dissension in their ranks is in evidence everywhere.

There are so many stage hands now out of work while others are holding down two jobs at once that there is a strong undercurrent of dissatisfaction, and at the slightest chance to bolt from the cause, there will be a panic.⁶⁹

⁶⁸The contributors to this fund included eighty-nine permanently employed union orchestras. Full detail of the contributions and expenditures are reported in Intermezzo, November, 1929, pp.4-6.

⁶⁹Fairness to the union requires recording that the Billboard answered this contributor editorially by saying: "Unquestionably there have been times when these unions have been unwise in wielding their power. We are inclined to think that a change will be noted shortly. We have always found leaders of the theatrical unions to be open to reason. Concessions will be made and soon." See ibid., May 3, 1930, p. 45. Criticisms similar to that of the contributor noted above can be (note continued on next page)

Statements of this character are doubtless biased, but so frequently have they appeared that they probably represent some measure of truth. One exhibitor told the writer:

Formerly the neighborhood theater had inferior companies traveling around which gave regular stage shows in smaller theaters in addition to the motion pictures. For years it has been the custom for the theater manager or owner to turn on the footlights or raise the curtain for such smaller shows. During the last winter (1929) the stage hands demanded that one of their men be used to turn on footlights and to run up the curtain. The scale was \$8.00 for this stage hand in one city, and the result was that stage shows were cut out and stage hands did not get the work.⁷⁰

In Chicago the rules for the de luxe theaters have called for employment of a minimum crew of four men and an apprentice, and claims have been made that this requirement has played its part in the elimination of stage shows in some theaters.

On the opposite side there are signs that the union recognizes that concessions must be made. By national agreement with the Mutual Burlesque Association the Stage Employees granted a rebate of \$5.00 per week on the salary of each union member hired from January 1 to April 1, 1930. From April 1 to May 1 a similar rebate of \$4.00 a week was allowed, which was reduced to \$2.00 for the period of May 1 to June 1. In Chicago the local officials have come to recognize that compromises must be made. A local business representative of the Stage Employees admitted to the writer in August, 1930, that there were motion-picture theaters offering stage shows that had two members of the union employed at \$107 a week which needed only one. He stated that an adjustment of this matter was to be made as soon as practicable.

No exact data are available to indicate the way in which union wage scales work out in practice. Reports were current that

duplicated. See, for instance, letter of George Keabian, Yale University Theater, to Mr. Houtain of the Theatrical Stock Managers' Association, in *ibid.*, February 1, 1930, p. 28. Also statement by Mr. Houtain, *ibid.*, January 18, 1930, p. 28. Other contributors to *ibid.*, June 7, 1930, p. 43; October 22, 1927, p. 5; August 9, 1930, p. 43.

⁷⁰Confidential statement to writer.

the average weekly earnings for stage hands during 1929 were \$75.⁷¹ The musicians in the same year claimed minimum earnings of \$70 weekly,⁷² with some artists in the large downtown theaters earning as much as \$111 a week. These figures make no allowances for periods of unemployment, and it is certain that the members of both of these crafts have suffered greatly from this cause within recent years. Isolated cases of earnings of stage hands running over \$3,500 in eight months can be found, but it is unjustifiable to base general conclusions on such scanty evidence.⁷³

The Moving Picture Machine Operators' 1930 wage scales, ranging from \$82.50 to \$137.50, probably understated the actual earnings, since the scales were based upon the minimum time to be worked. Annual increases of 5 per cent were made in the scales of this organization for each of the five years immediately following 1925, and in that year the claim was made that the average weekly earnings without allowance for unemployment were about \$85.⁷⁴ Reports from union sources indicate that the members worked at least thirty-six weeks a year. When figured on this basis, the minimum scales yielded earnings from \$2,970 for the operators in the small neighborhood theaters working thirty-three hours a week to \$4,950 for the operators in the larger houses, where the forty-two-hour week was in effect. Since the large theaters probably yielded more than thirty-six weeks' continuous employment, the actual earnings in

⁷¹Chicago Tribune, August 15, 1929.

⁷²Ibid., September 2, 1929.

⁷³See Employers' News, September, 1927, which prints the following: "One large exhibitor is authority for the statement that at one of his Chicago houses he is forced to employ twelve stage hands where eight would be sufficient. At this house two men in eight months each received compensation amounting to \$4,500, and for this worked two performances a day of fifty minutes each. In another house he is forced to employ two stage hands, although there is no stage show. One man turns on the lights when he reports in the morning. The other man turns them off when he leaves at night. In eight months these men have been paid about \$3,500."

⁷⁴Federation News, January 17, 1925, p. 3.

these houses were doubtless higher than the figure quoted. An additional correction must be made for the possibilities of overtime work, which could affect both the small and the large theaters. The union reported that 80 per cent of their membership worked thirty-three hours per week for the \$82.50 scale in 1930. Ten per cent received the minimum of \$137.50 per week for a forty-two-hour week, and the remaining 10 per cent fell somewhere between these two limits. Stated in terms of a yearly minimum, this means that 80 per cent of the union membership received \$2,970; 10 per cent received \$4,950; and the remaining 10 per cent were paid sums falling somewhere between these two amounts.⁷⁵

A word of caution should be entered with reference to interpreting the recent changes in the musicians' scales. Increases in rates applicable to the more important types of musical engagements have been reported yearly between 1925 and 1930.⁷⁶ The point of special importance in interpreting this apparent upward movement is that it was taking place at a time when unemployment in the union membership was increasing. It is probable that these apparent

⁷⁵The figures for this section were obtained in an interview with a union official. Deductions should be made of the sums paid to the union for dues and assessments. The minimum dues in 1930 were \$74 per year exclusive of special assessments. From several interviews reports were obtained that card men paid the union an average of \$15 per month, including regular dues, and that permit men were assessed 10 per cent of wages. In reporting on the state's attorney's investigation of 1931, the Federation News stated: "Another complaint is that the union has been exacting a 10 per cent collection from the operators working in some of the theaters who are not members of the union, when union men cannot be obtained. Mr. Maloy admitted this to be a fact, but said that the 10 per cent assessment against men not members rightfully went into the union defense fund to be used in case of strikes or other trouble" (June 6, 1931, p. 3; see also Employers News, October, 1928).

⁷⁶Federation News, March 7, 1925, p. 3; April 23, 1927, p. 5; August 18, 1928, p. 11; September 4, 1926, p. 8; Billboard, August 8, 1928, p. 16; Intermezzo, October, 1929, p. 6; Chicago Tribune, May 4, 1929, August 26, 1930. Under a threat to strike, the basic scales of \$90 for a seven-day week of thirty-five hours and \$115 for forty-two hours were retained for radio-station musicians in the agreement made in January, 1932, although the working week was reduced to one of six days. See Monthly Labor Review, March, 1932, p. 608; Federation News, January 2, 1932, p. 1; January 9, 1932, p. 1.

increases meant simply that the better-trained and more skilled men, already drawing salaries higher than minimum scales, were retained.

One outstanding fact of importance regarding two of the unions in this group is the limitation upon entrance. For the stage employees, the entrance is limited at present to sons of members. The initiation fee of \$300 places an additional barrier to entrance, although this must be considered in relation to the 1930 high wage scales.⁷⁷

For the Motion Picture Machine Operators, detailed data are available for the number of entrants to the trade since 1915. Table XIV presents in summary form the number of original and renewal licences issued to motion picture machine operators in the city, as well as the number of apprentice certificates issued during the period from 1914 to 1929. Since the union has maintained virtually complete control over all projection rooms in the city for more than ten years, these figures give a clear indication of the number of entrants to the union during that period. The question may be raised as to whether the character of these figures may not be the result of lax enforcement of the license ordinance. Indeed, there is some evidence to indicate this, but in the absence of conclusive proof, the position here taken is that the figures must be accepted at face value.⁷⁸ Even though some entrants to the trade may avoid the city inspection, correction for this fact would only slightly modify the conclusion as to union control.

⁷⁷Interview with union official.

⁷⁸The reports of the Department of Gas and Electricity assert: "All moving picture theaters are under constant reinspection. A strict supervision is maintained both over the equipment and over the operators" (see Thirty-third Annual Report, p. 52).

TABLE XIV *

Number of Chicago Theaters, and Number of Operators' Licenses and Apprentice Certificates Issued, 1914-29

Year	Total No. Chicago Moving Picture Theaters	No. of Orig. Operators' Licenses issued	Renewal Licenses Issued	Apprentice Certif. Issued	Apprentices as percentage of Total No. Licensed Operators
1914..	No data	403	906	471	36.1%
1915..	576	214	944	425	36.7
1916..	491	92	912	370	36.8
1917..	393	81	810	218	24.5
1918..	349	72	697	120	17.0
1919..	410	52	744	57	7.1
1920..	411	57	740	35	4.4
1921..	419	52	729	18	2.3
1922..	422	39	663	22	3.1
1923..	374	32	680	8	1.12
1924..	334	36	631	18	2.7
1925..	362	25	628	8	1.22
1926..	359	46	638	8	1.17
1927..	385	80	625	6	0.85
1928..	386	51	655	6	0.85
1929..	388	128	702	3	0.36

*Data from the eighteenth to the thirty-third Annual Reports, Department of Gas and Electricity, city of Chicago.

The meaning of these figures is seen more clearly in column 6, which presents the apprentice certificates issued each year, in terms of percentages of the total number of original and renewal licenses for the corresponding year. It will be seen that for the three-year period 1914-16 the number of apprentices entering the trade was slightly over 36 per cent of the total number of operators. By 1919 this figure had declined to 7 per cent, since which time there was a steady and rapid decrease in the apprenticeship percentage, until in 1929 it stood at less than one-half of 1 per cent of the total number of experienced operators. It should be pointed out that while the number of theaters has decreased since 1922, it is probably true that the average size of the remaining ones is somewhat larger than in that year. While it is not possible to calculate the influence of this increase in average size of

the theaters upon the need for operators, it is certain that this fact, taken in conjunction with the introduction of sound equipment in the years since 1926, has required some increase in the number of operators.

This condition of a declining ratio of entrance to a trade in which the wage scales have been maintained at a fairly high level and in which the skill requirements are relatively low⁷⁹ points conclusively to the fact of artificial control over numbers. This conclusion is further supported by other sources which definitely indicate that the union has maintained a very rigorous control over the number of men entering the trade. The nominal initiation fee to the union is \$200, but actually it appears to be very much higher than this.⁸⁰ The closed character of the union is therefore definitely established.

⁷⁹While employers concede that "the projectionists hold a big responsibility in the running of the motion picture program," they also maintain that "there is not a projection problem which is not easily solved by the projectionist of experience and initiative" (Franklin, Motion Picture Theater Management, p. 145). This same writer states with respect to the operation of sound equipment that "the operation is not in any way a difficult, complicated, or mysterious matter, but it does require intelligence and conscientious regard for the instructions furnished by the manufacturers. When troubles occur, a very large proportion of them can be directly traced to neglect or disregard of this rule" (*ibid.*, p. 111).

Chicago exhibitors are less moderate in their statements. One employer makes the contention that projectionists can be trained within a week, and others go so far as to claim that the basic principles in the operation of a motion-picture machine can be learned in fifteen minutes.

⁸⁰Figures as to the actual fee charged for entrance into the union have been obtained from several sources. Two interviews with men intimately acquainted with one or more members of the union yielded estimates of from \$500 to \$1,000. Another employer told the writer that he knew "you couldn't buy a card for \$10,000." The *Employers' News*, October, 1928, states the situation as follows: "Employment as a motion picture operator is practically restricted to the so-called 'card members' of the motion picture machine operators union, who are in turn 'charter members' of that union, and for the most part have such a monopoly that during the last ten years nearly all the motion picture operators (other than card members) have been working under a permit from the union." These statements may all be somewhat exaggerated, but it is clear that they are based on some fact.

For the Chicago Federation of Musicians, a different record prevails. Whatever the additional assessments may be above the specified \$100 initiation fee and \$20 annual dues, it is very clear that the union has in no sense closed its doors to newcomers. The organization does have an examining board for the purpose of determining the qualifications of new members. Judging from the new entrants recorded each month in the Journal of the local federation as well as in that of the national body, the examining committee has not generally exercised its powers to prevent qualified members from entering the union. A healthy interchange of members between locals of the American Federation as well as continuous entrance of new members is maintained.⁸¹

It should now be apparent that the three major organizations of theatrical workers have maintained a firm grip on the industry. Only in recent years has the hold of these organizations been weakened. Nevertheless, both the Musicians and the Stage Hands still exert an evident and powerful control over the workers within their jurisdiction. The power of the Motion Picture Machine Operators has recently been challenged, but it is still too early to predict the extent to which the future of the organization will be affected.

IV. Limiting and Supporting Forces

What are the peculiar economic forces that have assisted these organizations in gaining and maintaining their positions? First of all, it is obvious that, like many of the other highly organized crafts, these unions operate in a field in which the market is strictly localized. Before the advent of radio and talking pictures, entertainment supplied by musicians in theaters and in other places of public amusement was non-transportable. A control over the local

⁸¹See any issue of the International Musician or Intermezzo.

market, therefore, meant that escape from union regulations was impossible. As has been shown in other chapters, this is a situation in which employers find it possible to pass on the burdens of higher costs to the public in the form of higher prices. It is impossible to measure statistically on the basis of the present available data how far the increases in union wage rates have been passed on to the public, but the basis for inference is very strong that at least a part of these increases have been so disposed of.⁸²

In respect to the prices for the so-called legitimate drama, the shifting of wage increases has been the more easy because of the limited monopoly enjoyed by play producers. A play is unique; it can be seen at only one theater in a locality at one time. The ability to control the supply of entertainment forthcoming from the motion-picture theater is less obvious. Within a given city at a particular time there is no mechanical reason why a number of theaters may not show the same program at the same time. But with the development of producer-controlled chains of theaters, it has been possible to guarantee the larger theaters security similar to that enjoyed by the legitimate play. The fickle public may choose to gratify its taste for entertainment by some form of substitute

⁸²In the fall of 1927 when the union demanded an increase of \$20 per week in scale for the Symphony Orchestra members, the president of the union was quoted as saying: "I have figures which show that at least \$20,000 more door receipts can be secured by raising the price of seats a small amount--10 cents on the better seats and 5 cents on the gallery seats" (Billboard, July 23, 1927, p. 6).

In regard to the other unions, numerous employer representatives have claimed that the prices for theater seats could be reduced considerably but for the union regulations. The following statement is directly in point: "The producers of one revue set a price of \$5.50 per seat for Saturday evening performances and assert that they could cut the rate but for the fact that restrictions are placed upon them from the time rehearsals begin..... In short, half the cost of an evening at the show is due to time and labor paid for but not received" (Employers' News, September, 1927). One must remember that such statements from employer sources may be fastening more responsibility on the unions for high prices than is justified.

amusement, but it seldom has the choice of seeing the same performance at more than one of the downtown theaters at the same time. This security is obtained by the so-called "protection clause" included in almost all contracts for film rentals. Not until a substantial degree of "exploitation" has been enjoyed by the "first-run" house is the picture allowed to be shown in neighborhood theaters.⁸³

This practice, though it does not indicate complete monopoly, is certainly suggestive of what Pigou has called the perfect case of "discriminating monopoly,"⁸⁴ since the one class of patrons is served first at high prices, and then prices are graded downward to allow for the clientèle that either will not or cannot permit themselves entertainment at the higher prices. One must bear in mind, however, that superimposed upon this quasi-monopolistic character of the market there is a degree of competition among the smaller exhibitors within the local market as well as between the larger chain houses. This competition of the smaller theaters has been easily kept under control by the larger first-run houses by means of the protection clause. That existing between the chains of first-run houses is hardly what one may call free competition. It resembles the theoretically distinguishable case of "monopolistic competition" in which none of the competitors hoped to ruin the others by cutthroat prices.⁸⁵

If the prices of theatrical amusement have been the subject of artificial control, it is not likely that union policy has been the important element in this price control except in so far as the unions have assisted in forcing out independent competitors

⁸³The word "exploitation" is commonly used in the trade.

⁸⁴See Pigou, Economics of Welfare (3d ed.; Macmillan, 1929), II, chap. xvii.

⁸⁵Ibid., pp. 267 ff.

and so facilitated the growth of monopoly control. The coming of the producer-controlled chain has created the possibility of price regulation without the assistance of the organization of the labor market. The possibility of such regulation is the most cogent argument against the contention that union restrictions have had a material influence on prices. The unions have ridden to the height of their power during a period when chain control was developing and prices of theatrical entertainment were rising. Part of the rise in prices may have been in sympathy with the movement of the general price level, but even such part as may be left unaccounted for on sympathetic grounds cannot necessarily be attributed to union control. To the extent that the rise in prices was the result of independent monopoly control of the exhibitors, the increase in wages of operators and stage hands may be correctly characterized as having absorbed a part of potential monopoly profits.

In conjunction with the foregoing argument, it is here contended that the coming of the chain has aided particularly two of the unions, the Stage Employees and the Operators, in extending their control and in gaining wage increases. The result has been accomplished in this way. The portion of theater expenses allotted to the payment of wages of stage hands and projectionists in the large de luxe theaters of Chicago, even under the present high union scales, can rarely be as high as 8 per cent of the total expenses.⁸⁶ For the smaller theaters of the city with seating capac-

⁸⁶No data as to the actual distribution of theater expenses in Chicago have been available. For the purposes at hand, however, the foregoing figure is suggested after the following calculation. The median weekly income for five of the large downtown theaters in 1929 varied from \$18,500 to \$46,000. Assuming that each of these theaters conformed strictly to the union requirements as to the number of men and wage scales, it was found that the weekly wage bill for projectionists and stage crew would represent from 2.2 to 5.4 per cent of the gross income. It is obvious that still lower percentage figures would be obtained if the expenses did not exceed the gross income when calculation on the basis of total costs is made. Franklin, in recording (note continued on next page

ties of less than one thousand and weekly income of fifteen hundred dollars or less, theater managers have reported that projectionists' wages alone frequently absorb as much as 20 per cent of the total income.⁸⁷ Irrespective of chain control, this difference between the distribution of costs for the large and the small theater would mean that uniform increases in union wage rates, such as were made in the five-year period from 1925 to 1930, fell as a heavier burden upon the small theater than upon the large one. Some of the smaller independent exhibitors have claimed that because of this fact the larger houses have welcomed union demands for higher wages and so increased their control over the industry. Little evidence exists to support this claim. Nevertheless, it is true that the larger theaters have yielded more readily to the union demands than have the smaller ones. It is also a fact that the producer chains first gained control of the larger theaters. Therefore, first because of the protection on films granted the larger first-run theaters, and second because of the distribution of costs in these theaters, they have had less to lose in conforming to the union demands than have the independents.

Theaters have found themselves in a peculiarly unfavorable position to resist union demands. The fact that the theater-owner

actual figures for a de luxe theater in San Francisco over a period of weeks before the use of sound, found stage salaries and production to absorb 5.3 per cent of the total receipts (letter to the writer; see also Motion Picture Theater Management, p. 211). It will be noticed that this fact that the wages of these two groups is but a small per cent of total costs is Marshall's point 3 in his Building Trades Case (see Principles of Economics, 8th ed. pp. 382ff.).

⁸⁷This statement is based on interviews with various exhibitor representatives. Bulletin of the Associated Theater Owners of Indiana, August, 1929, reports that over a ten-year period a neighborhood theater in Indianapolis spent 25 per cent of its gross income for salaries, exclusive of salary paid the owner. For a small-town theater it reports a corresponding figure of 20 per cent. Since for such theaters the principal salary item is the projectionists', this report tends to lend credence to the figure suggested for Chicago theaters.

must deal directly with the public and at night makes it unusually difficult to control acts of violence by union sympathizers. The theater-owner must keep his doors open to the public. He cannot, like the factory manager, admit only trusted employees. The result is that acts of vandalism, sometimes mild and sometimes violent, may be committed under the cover of darkness before persons responsible for them can be detected.⁸⁸ Stench bombs may be placed under seats, or chemicals sprinkled in ventilating systems which may make theaters unfit for use for several days. Exhibitors, courting a fickle public, cannot afford the risk of precipitating such occurrences by refusal to deal with the union.

It must be remembered that the product of a theater-owner is instantly perishable and non-transportable. This fact, which aids the larger exhibitors to control partially a limited market, works to their disadvantage if they are forced to close down on account of labor dispute. While all the exhibitors are alike subject to the influence of these circumstances, they have a peculiar significance to the manager operating a number of theaters. His investment is large. Closing up his properties even for a day means heavy losses. He cannot, like the industrial trust having a number of factories, send his orders from one to another to be filled. They must be filled on the spot or not at all. Moreover, if all of his theaters are in unionized territory, a resistance to the de-

⁸⁸The small amount of violence which seemed to characterize the labor relations in the Chicago theaters as compared with those of other large cities in the years immediately preceding 1931 may have been due in part to the fact that there had been no general and determined resistance to union control. It may be observed, however, that during the lockout of 1931 no less than sixteen theater bombings took place before the dispute was settled. Whether or not some of these may have been resorted to for the purpose of discrediting the union in the eyes of the public is, of course, not subject to proof, and the question need not be considered here since the point involved is that of the characteristics of the amusement industry, and not that of responsibility in particular disputes between the interested parties. See Federation News, November 7, 1931, p.14.

mands of the union with reference to one of his theaters is likely to bring forth sympathetic action from workers in other theaters.⁸⁹ The point is well made by the following statement of an exhibitor to the writer:

The chains operate in many cities and their contracts with the unions expire at various times during the year. Publix owns theaters in Chicago, where they make new contracts during the winter; in St. Louis, where they come up in the spring; and Indianapolis, where they come up in the fall. The only way to break a strike or to defeat unreasonable demands is for the theater to continue operating with non-union men; their union men at Chicago and Indianapolis are pulled off the job; also in dozens of other towns not immediately affected by the trouble which precipitates this action. The big circuits are therefore compelled to yield.

The result of these circumstances has been that the few large and otherwise powerful employers, who might be expected to resist union control most vigorously, have in fact yielded first in every dispute. Whatever unity there may have been among the exhibitors on other matters, they have never been able to agree to a determined resistance to union requests.

The factors reviewed in the preceding paragraphs are of more or less general application in accounting for the strength of all of the organizations active in the theatrical field. Certain special factors influencing the Chicago union particularly should be mentioned. From the standpoint of short-run business unionism, the Chicago locals appear to have been well generalized. The administration of all three of the major theatrical unions has remained almost unchanged for over a decade.⁹⁰

⁸⁹The point is well illustrated by the case of the Shubert dispute in 1929. The Philadelphia local of the American Federation of Musicians demanded wage increases from the Shubert management, and failing to get them at once, requested the parent-body to take action. The international president then ordered strikes against all the Shubert houses, including those in Chicago. A favorable compromise settlement was soon forthcoming. See Chicago Tribune, October 9, 1929, and October 23, 1929. A similar case was that of the threatened strike against the Great States Chain of moving-picture houses. See Billboard, August 3, 1929, p. 3.

⁹⁰For a radical and somewhat biased view of the extent to which the officials of the Operators' Union have dominated the organization, see Foster, Misleaders of Labor (Trade Union Educational League, 1927), pp. 179 ff.

For the Motion Picture Operators, at least, it is clear that political affiliations have played some part in the maintenance of its power. An indication of this occurred in a testimonial banquet to one of the business representatives, which was attended by six local judges and five other political celebrities.⁹¹ In view of the information presented in the table in regard to the number of licenses issued to motion-picture-machine operators during the last decade, one cannot help wondering if there may be some relation between the character of these figures and the fact that the license examiner in the Department of Gas and Electricity in the city was a near relative of one of the business agents of the Operators' union.

It is customary for employers who wish to hire a group of musicians to secure the services of a contracting musician, who in turn arranges for the other required players, and who may and usually does serve as one of the players himself. This contracting musician thus acts as an intermediate employer between the real employer and the employed musicians. Reflection will indicate that one possible explanation for this arrangement is that it permits the contractor, who is presumably better qualified for the purpose, to exercise his judgment in the selection of musicians. Whatever may be the reason for this custom, its far-reaching effects in supporting the union are clear.⁹² First, the fact of contractor mem-

⁹¹Federation News, June 28, 1930, p. 13.

⁹²Professor Commons, in an early study of the St. Louis and New York musicians' unions, compares the local unions in these cities to a stock exchange or wheat pit, because of this position of the contracting musicians, and indeed this comparison is suggestive. However, his contention that the "policy of the union is determined by the majority (i.e., the non-contracting members), whose interests are those of wage earners," cannot be applied without qualification to the Chicago situation. One suspects that the stock-market analogy might be carried even farther and certain groups might be found in the rôle of "lambs" at times. See "The Musicians of St. Louis and New York," Quarterly Journal of Economics, 1906, pp. 422 ff.

bers in the union makes it possible for the organization to control a large body of men indirectly through a small group of contractors. The contractors have been kept in line through the operation of a Trial Board, which levies fines on members violating union rules, a Board of Directors, acting as an appeal body and pronouncing judgments against outside employers for failure to abide by union regulations, and finally through the president who acts as the business representative with supreme authority and wide powers.⁹³ This ingeniously centralized government gives the union a strength and solidarity rarely found in labor organizations. Doubtless, personalities have been of significance in its formation and operation, but the method of employment seems to be the foundation on which it has grown.

The contractor-employer relationship adds to the strength of the union in a second way. The contractors are in reality subemployers. The main item in their business expenditures is obviously that of wages paid for the services of other musicians. Any device which will tend to stabilize the wage rates paid to individual musicians will also act powerfully toward the prevention of ruthless competition among contractors in bidding for musical contracts. It is impossible to explain the ability of the organization to maintain the 1929-30 high wage scales in the face of the increased volume of unemployment since 1927 without giving great weight to this factor. In a situation such as exists at present, one cannot claim that it is the musicians' artistic skill that has

⁹³The following statement indicates the importance of the president in this organization. "Petrillo is a sturdy fighter, born in Chicago of Italian parents; he likes to bang his fist on the desk until his glasses jiggle; he is at times almost 'savage' over the telephone; and he is literal czar for 8,000 temperamental musicians. There is the only local in which the members have nothing to say as to the wage scale or working conditions. 'They take what I bring back and like it,' says Petrillo, 'if they don't, they can get a new boss!'" See Federation News, December 21, 1929, p. 6.

permitted the union to defend high standards. It is true that it probably requires long and arduous training for the musicians to develop their art. But the unemployed musicians are here; they are the result of a rapid introduction of mechanical devices that has been revolutionary in its influence upon the demand for their services. The union has not been without difficulties in meeting this problem, and there have certainly been signs that the organization is not its former self. There has been some underbidding of the union scale, but, considering the volume of employment, the union must be credited with supporting its standards well.⁹⁴

Clearly the Musicians' Union is based on other forces than those which support the Stage Employees and the Operators. These two latter organizations are organizations of employees strategically located to bargain with employers for advances in wage rates and concessions on working conditions. The Musicians, however, resemble an organization of the medieval guildsmen regulating the

⁹⁴Heavy fines have been resorted to for violations of the union scale. E. A. Rivkin, a contractor, was fined \$10,000 for paying less than the wage scale on Shubert engagements. Frankie Masters was fined \$5,000 for performing gratis at White City. Jacob Richard and Aaron Skoble for accepting less than the wage scale on Shubert engagements were fined \$10,000 and \$5,000, respectively, while one Sol S. Wagner was fined \$5,000 for failure to obey the orders of the president.

The case against Rivkin was appealed and finally reached the floor of the convention of the American Federation of Musicians, where the action of the Trial Board was approved. The contractor then made a second plea to the local Board of Directors for a reinstatement under certain restrictions, and he was again referred to the national executive board, but a record of the final disposition of the case has not been found.

The foregoing facts indicate clearly that the judgments of the Trial Board are not regarded even by contractor members as mere gestures. The disciplinary power of fines becomes apparent when it is realized that defaulters are not permitted to work with union men in any city in the country. The punishment against the defaulter is the direct boycott, which applies to outside employers who may have failed to pay claims due union members as well as to members who have been fined for breaking union law. See Billboard, February 9, 1929, p. 3; "Report of Executive Board of the American Federation of Musicians, 1929," International Musician, July, 1929, p. 18; "Report of Chicago Delegates to International Convention, 1929," Intermezzo, July, 1929, p. 7; "Minutes of the Board of Directors, Local 10," May 31, 1929.

charge which the public shall pay for their services.⁹⁵ The Musicians, despite the fact that they have maintained an open entrance into the union, have been able to control the competitive standards by means of a centralized organization which includes the contractors. The Stage Employees and the Operators, on the other hand, finding themselves located at strategic points in an industry that requires continuous operation, have taken full advantage of their position and made entrance to their unions a difficult matter.

Since 1927 there have been signs that both the Stage Employees and the Musicians are finding their power of more limited application than formerly. Competition of other forms of entertainment has brought a shrinkage in the demand for the work of the legitimate stage, and with this shrinkage the stage employees have suffered. Their position has been expressed to the writer by one exhibitor in the following language:

The stage hands all over the country have been beaten during the last two years as few road shows care to travel now (August, 1930) outside of New York or Chicago due to unreasonable demands. The stage hands are still high and mighty, but they have no work for their members outside of a few who are employed in the de luxe picture theaters.

Just how far the union has brought this situation upon itself by forcing up the cost of traveling shows, and how far it is due to outside forces working against this type of entertainment, it is impossible to say. The employers will almost to a man blame the unions, but there have doubtless been other forces at work outside the control of either the legitimate play producers or the union.

The Musicians find themselves in a similar plight. The coming of mechanical substitutes for the reproduction of music has materially lessened the demand for musicians. The signs as to the

⁹⁵In this connection it is of interest to note that the local was offered a membership in the Chicago Association of Commerce, which was accepted April, 1930 (Minutes of the Board of Directors," April 18, 1930).

future are conflicting. The union has claimed that the public will not long remain content with the services of the "mechanical robot," and there is evidence to support this claim.⁹⁶ There are also indications that the fullest advantage has not yet been taken of mechanical devices. There are predictions to the effect that mechanical accompaniment to vaudeville acts will be the next step.⁹⁷ If and when this arrives, it will narrow the sphere of union control still more.

The Operators have not as yet been faced with the competition of machines, but there are signs that they too may be forced to contend with this problem before long. There is at present no subject which will more quickly arouse exhibitors than television. Since 1926 they have seen how rapidly new equipment may revolutionize an industry. The events of the last five years have left them somewhat bewildered, and they are eager to know what this latest development holds in store for them and how it may affect the Operators' Union. Some have been willing to state without qualification, "In a few years there will be no projectionists. Television will be here." Exactly what the results of the introduction of television will be is obviously a matter of conjecture, but it is likely to present the unions with new problems which they must meet and solve.

⁹⁶See any 1929 issue of the International Musician.

⁹⁷In the issue of August 9, 1929, p. 9, Billboard prints the following headlines: "Canned Pit Accompaniment Coming Soon: Biggest Blow to Musicians in History."

CHAPTER VII

THE PRINTING-TRADES CRAFTSMEN

I. The Organization of the Industry

The printing industry as exemplified by the Chicago situation divides itself into the two main branches of newspaper and book and job printing. Allied to these are the even more specialized branches of lithographing, photo-engraving, steel- and copper-plate engraving, etching and die-sinking, and stereotyping and electrotyping. An idea of the size and character of the industry in all its branches is to be obtained from Table XV.

TABLE XV*

Number of Establishments and Wage-Earners in the Printing and Allied Industries of Chicago, 1927

	No. of Estab- lish- ments	Total No. of Wage- Earners	Average No. of Wage-Earn- ers per Es- tablishment
Printing and publishing (book and job).....	1,026	23,272	23
Printing and publishing (newspaper and periodical).....	414	6,974	17
Bookbinding and blankbookmaking..	110	2,823	26
Lithographing.....	41	1,939	47
Photo-engraving.....	43	1,521	35
Steel- and copper-plate engraving and printing.....	49	1,018	21
Stereotyping and electrotyping...	30	823	27
Paper manufacturing.....	5	765	153
Engraving, chasing, etching, etc.	25	502	20
Total printing and allied industries.....	1,743	39,637	22

*U.S. Census of Manufactures, (1927). Prior to June, 1932, the data for 1929 had not yet been made available in a classification according to cities. Inspection of preliminary data for Illinois together with use of the occupational figures for Chicago, 1930, indicates that such changes as have taken place since 1927 leave these groups in about the same relative position.

Obviously the relative significance of any industry depends upon the character of the industrial classification adopted, but if the census classification is taken as given, the book and job branch of Chicago's printing industry ranks second only to wholesale slaughtering and meat packing in terms of number of wage-earners employed as well as in the value of its products. In marked contrast to Chicago's leading manufacturing industry, with its 25,115 wage-earners grouped in 57 different establishments, the book-and job-printing industry scatters its 23,272 wage-earners throughout nearly twenty times as many establishments, so that the average printing plant has only slightly more than 20 wage-earners. In this industry of numerous small units is found a tradition of collective dealing with employees extending over more than half a century.

Although there are no less than twenty-three different associations of employing printers in Chicago, most of these are not concerned primarily with labor problems, and direct negotiations with the unions are limited to five organizations. An official of the largest of these associations of union-shop employers, known as the Franklin Association, reported that the organization had a membership of "about one hundred book and job printers" in 1930. In spite of the fact that this organization is the principal employers' agent in negotiations with the three local unions of bookbinders, Compositors' Local 16, and the two locals of commercial pressmen, 3 and 4, it represented only 20 per cent of the union firms in the book and job branch of the industry.¹ In practice, the other firms using union labor permit the Franklin Association to bargain for them and accept the terms of the association agree-

¹Interviews with an official of the Allied Printing Trades Council and an official of the Franklin Association. See also Emily C. Brown, The Book and Job Printers of Chicago (University of Chicago, Ph.D. thesis, 1927), p. 404.

ment, with the exception that some of the largest union firms outside the association may negotiate individual modifications of these terms.

In marked contrast to the commerical branch,² the newspaper side of the industry finds the employers consolidated into a small, compact group. All seven of the large publishers of daily newspapers of the city were members of the Chicago local of the American Newspaper Publishers' Association.³ The Publishers' Association in its negotiations with Locals 2 and 16 of the Typographical Union Pressmen's Union 7, Photo-Engravers' Union 5, and the Stereotypers' Union 4 established the relations of daily newspapers with their employees. The thirty-three newspaper establishments not affiliated with this association were all small publishers of foreign-language papers or of papers serving neighborhood communities of the city, and they dealt with the unions individually.

The other three associations of union-shop employers were the Chicago Photo-Engravers' Association, the Chicago Employing Electrotypers' Association, and the Chicago Employing Stereotypers' Association. The first of these organizations numbered twenty-seven, or exactly one-half of the photo-engraving shops of the city, within its membership in 1930. The Employing Electrotypers and Stereotypers were closely associated, as the two organizations maintained the same office and staff, and there was some overlapping of membership, since there were two or three firms doing both types of work. In 1930 the Electrotypers' Association of thirty-four firms in-

²The term "commercial printing" as here used includes the special process houses as well as the book- and job-printing establishments.

³Publisher's brief in Printing Pressmen 7 v. Chicago Newspaper Publishers' Association, August, 1930, in arbitration before H. A. Millis, chairman of Local Board of Arbitration. For convenience, the Chicago local will hereafter be referred to either as the Newspaper Publishers or simply the Publishers' Association. When the parent-body is referred to, the full title of American Newspaper Publishers' Association will be used.

cluded all but two of the commercial shops in the city, while the Stereotypers' Association had ten of the fifteen firms in that branch of industry.⁴

Aside from these associations, all of which entered into negotiation with the respective unions operating in each particular branch of the printing industry, there were several militant open-shop organizations whose members occasionally used union labor in some departments, but whose official position was opposed to settling the terms of labor relations through bargaining with the union officials. These were: the Chicago group of the National Lithographers' Association, which in its membership of seventeen firms embraced most of the large lithographing shops of the city;⁵ the Employing Photo-Engravers' Association, a national organization of open-shop employers, with a Chicago membership of seventeen firms; and the Open Shop Employing Printers' Association of Chicago. The last named of these associations, although organized as a separate unit, was affiliated with the national body bearing the same name, and included all of the large non-union job printers of the city. Its active membership in recent years has fluctuated around two hundred, although about twice this number of firms subscribed to its policy.⁶

The organization of workers for group action in determining the nature of the employment relation in the Chicago printing establishments is of long standing. Its roots reach back to the middle of the nineteenth century, antedating formal organization of

⁴Interview with an official of both associations, October 24, 1930.

⁵This fact is clearly established when it is observed that the largest union shop employed only twenty-nine men in 1929, while the average number of wage-earners in the lithographing shops was forty-seven according to the Census of Manufactures (1927). No revolutionary change in size of shop has taken place since 1927 (letter from an official of Lithographers Local Union 4, July 7, 1930).

⁶See Brown, op. cit., pp. 353 and 357.

the employers by almost twenty-five years.⁷ It is out of eighty years of evolution that the present mechanism for collective bargaining has grown, and an understanding of the current phenomena requires that weight be given to the historical factor. The more important groups of organized workers of the printing and allied industries are found in local unions affiliated with six national or international unions of the American Federation of Labor. The membership for these organizations, together with that for smaller organizations of allied workers, is presented in Table XVI for 1927 and 1929.⁸

TABLE XVI*

Membership of Chicago Printing-Trades Unions

	<u>1927</u>	<u>1929</u>
The International Typographical Union (I.T.U.):		
Compositors Local 16.....	5,400	5,562
Mailers 2	500 ^a	500 ^b
Bohemian Compositors 330.....	85 ^c	98
German Compositors 9.....	75	70
Hebrew Compositors 903.....	36 ^{ad}	36 ^d
Swedish Compositors 247.....	33	32
The International Printing Pressmen and Assistant Union:		
Newspaper Web Local 7.....	800	920
Commercial Pressmen 3.....	1,606	1,531
Commerical Assistants 4.....	2,150	2,750
International Brotherhood of Bookbinders:		
Bookbinders and Paper cutters 8.....	888 ^c	850 ^c
Paper Rulers 26.....	108 ^{ae}	108 ^e
Bindery Women 30.....	900	900
International Photo-Engravers Union (I.P.E.U.):		
Chicago Local 5.....	1,296	1,451

⁷Ibid., pp. 8 and 18. The first organization of printers was founded in 1850, while the employers formed the Union Employing Book and Job Printers of Chicago in 1873.

⁸Two organizations of allied trades known to be of minor importance should be mentioned. The are federal unions Nos. 13013 and 17886 of Gold Beaters and Newspaper Writers, respectively. The latter consists of a small group of reporters working on Jewish newspapers, and the former has jurisdiction over workers preparing gold foil for bookbinding as well as for jewelry plating. The omission of the data regarding them makes no significant difference in the total.

TABLE XVI--Cont.

	<u>1927</u>	<u>1929</u>
International Stereotypers and Electrotypers Union (I.S.E.U.):		
Stereotypers Local 4.....	290 ^c	320 ^c
Electrotypers Local 3.....	703	727
Total membership of allied printing-trades council locals.....	14,870	15,855
Amalgamated Lithographers of America:		
Local 4.....	711	711
International Plate Printers, Die Stampers, & Engravers Union of N.A.:		
Printers 4.....	100 ^c	100
Engravers 22.....	66 ^c	66 ^c
International Metal Engravers Union (I.M.E.U.):		
Local 1.....	80 ^a	80
International Alliance of Billposters and Billers:		
Posters 1.....	365 ^c	230 ^c
Distributors Local A.....	250 ^a	250
United Wall Paper Crafts of N.A.:		
Local 8.....	60 ^c	42 ^c
International Brotherhood of Papermakers:		
Local 120.....	36 ^c	18 ^c
Commercial Artists Union:		
Federal 18060.....	f	400
Total.....	16,538	17,752

*Data unless otherwise indicated furnished directly to the writer by local union official either in letter or in interview.

a. Data for 1929 repeated, as 1927 data are not available.

b. Harrison B. Fagan, Industrial Relations in the Chicago Newspaper Industry (University of Chicago Ph.D. thesis, 1930), p.25.

c. Based on per capita tax reports of the Illinois State Federation of Labor.

d. Typographical Journal, August, 1929.

e. Based on per capita tax paid to the Chicago Federation of Labor in 1923.

f. Indicates not organized in 1927.

Several of the local unions listed above might properly be classified elsewhere, although they are from one point of view allied to the printing industry. In this class are the two local unions affiliated with the Bill Posters' Alliance and the Metal Engravers' Union 1. When the membership of these locals is subtracted

from the total, the remaining printing-trades unionists in Chicago numbered 15,843 in 1927. The use of the 1927 figure permits the direct calculation of the extent of organization from the Census of Manufactures figure for 1927 without correction. If the census figure is taken as parallel to the jurisdictional claims of the unions, which in strictness it is not, there results the estimate that this group of unions had control over 40 per cent of the eligible workers in 1927. If the 1929 membership is treated in the same manner and the occupational data of the Census of 1930 used for comparison, it appears that the union membership represented affiliation of 48 per cent of the printing-trades workers. While it is known that some increases in union power took place between 1927 and 1929, because of the difference in the character of the data used, these percentage calculations probably cannot be relied upon as measuring the exact amount of this advance. The figure of 48 per cent probably errs in being a bit too liberal an estimate for 1929, just as 40 per cent is perhaps a conservative representation of the conditions prevailing in 1927.

Within the fields claimed by the individual unions the extent of organized control was not uniform. The largest of the local unions, Typographical 16, was the most powerful of the organizations active in both the newspaper and the commercial branches of the industry. Its 1929 membership represented about 43 per cent of the gainfully employed classified as "compositors, linotypers, and typesetters" at the beginning of 1930.⁹ The three locals of pressmen appeared to control between 40 and 50 per cent of the number

⁹Census (1930). Both employer and union representatives estimated the compositors to be 70 per cent organized, but the new census material shows that even Wolman's estimate for 1920 (46.9 per cent) was too liberal to fit the facts in 1929 (The Growth of American Trade Unions, p. 94).

of workers within their jurisdiction.¹⁰ while the local unions of bookbinders represented somewhat less than 30 per cent of the members of the craft. Although the Lithographers claimed 75 per cent of the journeymen as members of the union, this figure is probably optimistic, as the union membership represented only 37 per cent of the wage-earners in the industry in 1927. As there has probably been some growth in the industry since that date, this figure tends to be somewhat liberal for 1929.¹¹ The locals of photo-engravers and the electrotypers taken separately, from the point of view of membership, occupied the most favorable positions of all the printing-trades unions. The photo-engravers had the undisputed claim of controlling 80 per cent of the journeymen of the city, while the electrotypers union numbered among its members more than 90 per cent of the craftsmen in Chicago.¹² Estimates of the extent of or-

¹⁰Union officials have estimated control over about half of the pressroom employees. Although it is impossible to separate the pressroom assistants in the census data, careful checking against the census data seems to indicate the union estimates to be too liberal.

¹¹For the Bookbinders an estimate for 1926 placed 25 per cent of the bindery women within the union, but the male workers have always been more extensively organized. Moreover, it is clear that some new shops have been added to the union list since 1926. See Brown, op. cit., p. 222; also interview with an official of the Franklin Association October 27, 1930. On the lithographers the data from the preliminary bulletin on the "Printing and Allied Industries" of the 1929 Census of Manufactures is suggestive even though classification by cities is not yet available (June 1932). Since all the lithographing establishments reported in Illinois in 1927 were located in Chicago, the fact that the wage-earners of the industry within the state had increased from 1,939 in 1927 to 2,501 in 1929 suggests that probably at least some of this increase had taken place in Chicago.

¹²The membership of the Photo-Engravers, Local 5, represented 85 per cent of the total number of wage-earners employed in photo-engraving establishments as listed by the 1927 Census of Manufactures. Since the latter figure does not include such photo-engravers as are employed in newspaper offices and printing establishments maintaining their own engraving shops, calculation of the extent of union control based upon it will tend to be somewhat extravagant. See Federation News, December 28, 1929, p. 4. Little change has occurred in the position of this union since 1927, its additions to membership having about kept pace with the growth of the industry. On the position of Electrotypers 4, see American Photo-Engraver, April, 1930, p. 445.

ganization of the remaining organizations are not made either because of the instability of the organizations or because of the difficulty in determining the number of workers over which these organizations claim jurisdiction.

Considering the question of extent of control from the standpoint of the number and type of establishments unionized adds significance to the above-suggested percentages. For the newspaper establishments, there is no doubt as to a virtually complete organization of all the printing-trades workers. All the large daily newspapers employed union members in all the mechanical departments, although only Typographical Union 16 was granted a closed-shop agreement.¹³ The local unions granted exclusive or limited control over the employment opportunities in the printing of Chicago's newspapers were the six locals affiliated with the Typographical Union, Local 7, of the I.P.P. and A.U., the Photo-Engravers' local, and the Stereotypers' Union 4. The employees of the newspapers were distributed among these unions in 1927 in approximately the manner tabulated.¹⁴

Typographical locals.....	2,129
Pressmen 7.....	800
Stereotypers 4.....	260
Photo-Engravers 5.....	200

Total members employed on newspapers 3,389

These 3,389 members were scattered throughout forty newspaper plants, although fully 3,000 were concentrated in the large newspaper es-

¹³The only daily newspaper operating in Chicago in 1930 with non-union labor was the sports paper, the Racing Record. See Proceedings of the Illinois State Federation of Labor (1928), p. 110.

¹⁴Figure for the Typographical unions includes the entire membership of Locals 2, 9, 247, 330, 903, and 1,400 members of Local 16, but only Locals 2 and 6 deal with the Publishers' Association. The apportionment of the membership of the unions is based in part on interviews with union officials, and on letters to the writer from officials of the various locals. Also see Federation News, February 20, 1928, p. 10; American Photo-Engraver, December, 1929, p. 25; I.T.U. Bulletin, February, 1930, p. 71; and Fagan, op. cit., p. 25.

tablishments operated by the members of the Newspaper Publishers' Association. This union membership was representative of very nearly 90 per cent of the mechanical wage-earning force of the local newspapers.¹⁵

In the commercial branch of the industry, a different situation prevailed. There were at the close of 1929, 389 open shops listed in the Open Shop Directory published by the Open Shop Employing Printers' Association. If this number is subtracted from the total of 1,688 commercial-printing establishments in the city, the remaining 1,299 represent the outside limit of possible union control,¹⁶ except that allowance should be made for the possible increase in the number of establishments since 1927 and for the fact that the census does not include firms with an annual product of less than \$5,000, as well as for the practice of listing some concerns in the directory as "open shops" which hire union help in some of their departments.¹⁷ If these allowances are disregarded, it is possible to say that 1930 found almost one-half of the remaining 1,299 commercial-printing establishments of the city operating as union shops.¹⁸ Many of the printing offices unaccounted

¹⁵Even open-shop employers in the printing industry admitted that the employees of newspapers were almost completely organized. (interview with an official of the Open Shop Printers' Association, October 26, 1930; see also Fagan, op. cit., p. 25).

¹⁶The figure 1,688 represents all the establishments listed in the Census of Manufactures (1927) under the following headings: bookbinding and blankbookmaking; printing and publishing (not including newspapers); lithographing; photo-engraving; steel- and copper-plate printing; stereotyping and electrotyping; and engraving, chasing, etching, and die-sinking.

¹⁷Brown, op. cit., p. 366.

¹⁸The names of 381 firms were listed in the 1930 Directory of Union Label Offices, but some firms using union labor either did not wish to use the label or were not eligible to do so. Various union sources claimed from 500 to 535 commercial shops employing members of several of the locals. If the lowest estimate of 500 is taken and added to the 114 establishments specializing in some one process (such as photo-engraving or electrotyping), the resulting figure of 614 is 47 per cent of 1,299. Interviews with secretary, Allied Printing Trades Council, October 30, 1930; and letter to the writer from an official of (note continued on next page)

for on this basis at times employed some union members, but it is probable that most of them were too small to interest either the unions or their adversaries. Stated in round numbers, the foregoing discussion as to shop control may be summarized thus: of the 1,700 commercial-printing establishments in the city, less than 400 were adherents to the open-shop principle, about 600 (or more) indorsed or at least acquiesced in union control over their employees, while the remainder followed an independent course of action, sometimes employing union help, but more frequently, being small one- or two-men shops, they were little concerned with the problems of labor policy.

For the Photo-Engravers and the Electrotypers, it is possible to make statements in detail as to the extent of shop control. Of the forty-four commercial photo-engraving shops under union control in 1929, twelve were affiliated with general printing establishments. The remaining thirty-two union shops constituted 74 per cent of the total number of commercial shops in operation in 1927, but since there have been at least two important new non-union shops established since that time, the union could claim only about 70 per cent of the commercial shops that were not affiliated with printing establishments or newspaper plants. In the newspaper plants, the union still maintained virtually complete control over the labor supply, although since the establishment of the Newspaper Photo-Engraving School of Chicago in 1926, the union's position in these plants has been threatened.¹⁹ In the commercial-printing plants maintaining their own photo-engraving shops, the union position is best indicated by the fact that several of the outstanding open-

the Pressmen's Union 4; secretary, I.P.E.U. 5; secretary, I.M.E.U. 1; president, I.S.E.U. 3; and secretary, Local 4, Lithographers. Also see Federation News, July 4, 1925, p. 11, and May 1, 1926, p. 2.

¹⁹American Photo-Engraver, April, 1930, p. 430.

shop houses that refused to deal with any of the other unions did employ members of Local 5. Thus there were in 1929 only ten non-union shops in the city. These ten, together with seven others that used union labor but did not negotiate agreements with the union, were affiliated with the Employing Photo-Engravers' Association, an open-shop organization with headquarters at Cleveland.²⁰

The Electrotypers Union enjoyed more complete recognition than any of the other organizations. About thirty members of the union were employed in newspaper plants, and the remainder in trade shops specializing in the making of electrotyping plates for the commercial-printing establishments. Some of these trade shops also have stereotyping departments, but this is not the common practice. All of the trade shops, with one insignificant exception, were unionized.²¹

There is yet another test of the extent of union control for which unfortunately only very meager data are available. This is the volume of printing done under union conditions. For the newspaper establishments such a test is unnecessary since the organization is obviously very nearly complete, but for the commercial branch of the industry some estimate of the volume of business done under union and non-union conditions would be significant. For 1921 such an estimate showed that the volume of commercial printing was evenly divided between union and open shops.²² By 1929, however, the estimates recorded credited the union shops with only 35

²⁰Ibid., December, 1929, p. 26. Also interview with an official of the Chicago Photo-Engravers' Association, October 30, 1930; Charles Leese, Collective Bargaining among Photo-Engravers in Philadelphia (University of Pennsylvania Press, 1929), pp. 56 ff.

²¹Mr. J. Volz, president of the I.P.E.U., states: "With the exception of one small shop which is not in the competitive field, all electrotyping plants in Chicago are at present unionized" (American Photo-Engraver, April, 1930, p.445).

²²F. A. Silcox, "Industrial Statistics," Typothetae Bulletin, November, 1921, p. 60.

per cent of the production, and this estimate has been confirmed as reasonable by representatives of both union and open-shop employers.²³ Although this estimate must be taken with reservations as to its accuracy, it is certain that there has been a sharp decrease in the relative volume of the commercial printing performed under union conditions since 1921. Many of the larger shops remaining under union control in that year changed their labor policy, and although some gains have been made by the labor organizations since then, the extension of the boundaries of union control was largely among the smaller and medium-sized firms of the industry. With but four prominent exceptions, the larger printing establishments of the city operated under open-shop conditions in 1930. The union stronghold in the commercial branch of the industry was to be found in the smaller and average-sized shops, and in those specializing in some one of the several processes involved in the preparation of printing products.

The Chicago local unions of the five largest international unions of printing-trades workers were united in the Allied Printing Trades Council. The council was formed under the provisions of the agreement between the international unions of stereotypers and electrotypers, pressmen, bookbinders, photo-engravers, and the International Typographical Union, which provides for the creation of such bodies. The council was given no power to negotiate agreements for the affiliated local unions, its sole functions being those of a propaganda organization with the authority to issue the allied printing-trades label to such firms as complied with the

²³Employers' News, September, 1926. The estimate given by this source in 1926 has been checked by recent (1930) interviews with union and open-shop employers. One employer representative has taken occasion to point out the extreme difficulty in making such an estimate due to the fact that many so-called open shops may use union labor in some departments, a suggestion which should be given due weight in interpretation of this figure. See also Brown, op. cit., p. 368.

"rules and regulations of the respective unions" in all departments, and to prosecute firms for infringements or illegal use of the printing-trades label.²⁴ The council was limited in the granting of label licenses to offices employing at least one compositor, one pressman, and one press feeder, and having at least two job presses operated by other than hand- or foot-power.²⁵ Within such limits the action of the council was made supervisory rather than discretionary.

II. The Agreements

The fifteen local unions affiliated with the Chicago Allied Printing Trades Council made up almost 90 per cent of the total membership of the unions here classified in the printing-trades group, and attention will be centered upon the working conditions established by these locals.

Except for the mailers, compositors, and the photo-engravers, the organization of the unions followed the general division of industry between the commercial and newspaper plants. These three organizations had separate agreements applicable in each of the two branches of the industry. Within rather wide limits, all of the local unions were allowed autonomy in the making of working agreements, but the assistance of international officers in negotiations was not an uncommon occurrence. Since performance of all the agreements with the Publishers' Association was guaranteed by the several international organizations, the officers of the parent-bodies were subject to be called upon in case of major changes in the working conditions affecting newspaper workers.

For all five of the local unions whose jurisdiction extends

²⁴Interview with an official of the Printing Trades Council.

²⁵Constitution and Rules (Chicago Allied Printing Trades Council), Art. VIII, secs. 6, 8, 11, and 12.

over the newspaper branch of the industry, it has become the practice to enter into five-year agreements with the Publishers' Association. The stability of conditions and the uninterrupted production resulting have been so important to the newspapers that the long-term contract has been one of their insistent demands. Except for the agreement of the Photo-Engravers' Union, which expired July, 1930, all of the agreements with the Publishers' Association terminated at some time during 1929, but since all contained clauses providing for extension from year to year unless one of the parties served notice of desire to change, the provisions of these earlier agreements were applicable throughout 1930.²⁶

In the commercial section of the industry, none of the unions has in the past been willing to consent to agreements of more than three years' duration, although the presence of the continuing clause has sometimes resulted in agreements being effective for a longer period. The agreement of the typographical locals made in September, 1929, marked the first departure from this precedent when these locals accepted a five-year agreement in order to provide for the inauguration of the five-day week.

The degree of recognition accorded the union varied not only as between the different local unions but also between the different branches of the trade. Only the Typographical Union had been able to gain the closed shop in both the commercial and the newspaper plants. All the other unions having agreements with the Publishers' Association recognized the obligation to furnish competent

²⁶October, 1930. The Typographical Union 16 had an agreement with the publishers which expired in May, 1929, and negotiations for modification were pending in June, 1930 (letter from an official of Local 16).

The Mailers', Stereotypers', and Photo-Engravers' agreements expired December, 1929; July, 1929; and July, 1930, respectively. The Pressmen's Local 7 agreement, which expired in May, 1929, came before the local arbitration board in August, 1930, but an appeal on the decision of the local board was pending in October, 1930.

men; in the event of temporary inability to do so, the employer was free to hire non-union workers, and there was no requirement that such workers must join the union within any specified period of time.²⁷ Moreover, preference given to union workers applied only to hiring and to discharge.

In the commercial-printing industry, recognition of the closed shop was more extensive. Commercial agreements of the Typographical and the Photo-Engravers' unions provided specifically for exclusive employment of union members. No express provision was made establishing the closed shop in the agreements of any of the three local unions affiliated with the Bookbinders' Brotherhood or the Chicago Electrotypers' Union, although the practical effect of some provisions was to create exclusive employment of union members. The two locals of commercial pressmen provided that in an emergency employers might hire non-union workers, but only until such time as the union was able to furnish men,²⁸ while the Mailers' Union accorded the employer the privilege of hiring non-union workers permanently when union men were not available.

In the various branches of the job trade, in addition to the specific provision of the agreements of the individual unions, consideration must be given to the various requirements of the label-license agreement. In accordance with the terms of the agreement of the five international unions providing for the creation of local printing-trades councils, each of the local unions affiliated with such councils gives up the practice of issuing its own label and uses that issued jointly by all the affiliated

²⁷The Stereotypers' agreement stated that the employer "shall have the right to secure such help temporarily," while the Mailers' and Pressmen's agreements stated on the contrary that "such help may be permanently employed." The Photo-Engravers provided merely that the employer shall have the right to secure help regardless of union affiliations. See Agreements, Mailers, effective December, 1926, sec. 4; Stereotypers, July, 1924, sec. 1; Pressmen, May, 1925, secs. 2, 3; Photo-Engravers, July, 1925, sec. 1.

²⁸Agreement (Local 4, 1925-27), p. 6.

locals through the council instead. This means that even such offices as may be strictly union in all departments do not automatically receive the right to use the label of the allied trades, but must be granted a license by the local council. Section 13 of the agreement granting such license states:

Labels must not be used on work where any portion of such work is done by non-union labor, even when such portion is done outside the office having a license; and any office having a license which has work done outside must have such work done in an office having a license, whether the label is to be used on it or not.

Provisions such as this tend to extend the closed-shop principle over a wider area than that covered by the agreements of the individual unions. An indication of the significance of such provision is obtained from the fact that in October, 1930, the secretary of the local council reported that 381 label licenses were in effect. The provision in the general laws of the Typographical Union which instructs the foreman whenever he has power to hire members of allied trades to give preference to union men also acts in the direction of exclusive employment of organized workers, although it is impossible to measure the exact influence of such a general provision.²⁹

In all the agreements of the local printing-trades unions, discharge on short notice was permissible, and hence none of these agreements operated even indirectly to specify a definite period of employment for individual members of the union.³⁰ On the closely related question of lay-offs, three of the unions in the commercial branch of the industry, Photo-Engravers and Pressmen 3 and 4, inserted provisions in their agreements similar to the following:

²⁹International Typographical Union, Book of Laws (rev. January, 1930), p.67, sec. 6.

³⁰The minor exceptions to this statement are found in the agreement of the Electrotypers, Photo-Engravers, and Bookbinders Locals 8 and 26, all of which in substance provided for one day's notice by the employer or employee to terminate the employment relation.

Should business conditions compel the individual employer to reduce working hours, such employer shall designate the hours of work, provided such reduction shall be equal on each day of the week and shall affect the entire working force.

The Electrotypers' agreement went farther and arranged for a definite schedule of lay-offs, and the provision which stated that when an employer "selects certain men to work a particular day and lays off the balance of his force" the men retained should be paid twice the regular rate for the first six hours of work and three times thereafter served to equalize lay-offs. By incorporating a part of the international laws, the agreements of Typographical Union 16 explicitly recognized the foremen's right of discharge for the purpose of reducing the force, providing such discharge was made in accordance with the union's priority rule.³¹ This rule required that discharge be in reverse order of hiring, and reinstatement in the same order as discharge. It will be observed that the principle underlying the priority rule is exactly contrary to that upon which equalization of lay-off for which some of the unions provided, is based.

The only other significant pronouncement on the matter of lay-off occurred in the Publishers' Association agreements with the Photo-Engravers, Pressmen, Stereotypers, and Mailers. Each of these documents contained a statement to the effect that "the publisher shall be the sole judge of the man's competency as a workman and of his general fitness in the office. He shall have the right to discharge any workman for cause, or to decrease the force."

Except for the apprenticeship ratios, none of the printing-trades unions made any regulations as to the number of men to be hired in each plant; such express provisions as were made with

³¹Right of discharge was also recognized for the following causes: incompetency, neglect of duty, and violations of office rules (which must be posted) (Agreement, paragraph 9).

reference to the number of men were to the effect that the question was one to be settled solely at the discretion of the employer. The Typographical Union controlled the number of men indirectly through its stipulation that the foreman must belong to the union, but in the newspaper agreement, which stated that "the foreman shall determine the number of men to be employed in any capacity in the work of the composing room," it was also made explicit that no foreman should be subject to union discipline for the performance of his duties in accordance with the agreement. The other agreements regarding the newspaper employees were less equivocal, stating that the "employer shall be the sole judge as to the number of men to be employed and his decision shall be final and not open to question." The only qualification attached to this privilege applied to the photo-engraving shops, where the employer was obliged to hire at least one man in each of the eight subdivisions of the craft.

All of the allied printing-trades unions attempted to control entrance to the trade through apprentice regulations, and such regulations were made a part of the agreements. The apprenticeship period was five years for all the unions with the exception of the Press Feeders 4, Pressmen 4, and the Bookbinders, which required but four years, and the Bindery Women's Union, which recognized a two-year training period as adequate.

The ratio of apprentices to journeymen, which was specified by the agreements of all the major unions except that of the Press Feeders, varied from one apprentice to two journeymen for the Paper Rulers, to one to ten for the newspaper compositors. A survey of the ratios applicable to the more important unions indicated that one to seven was the most common, since it was governing for the Compositors and Photo-Engravers in the commercial shops as well as for the Mailers and Stereotypers, which means that roughly 6,000

of the 16,000 members affiliated with the Printing Trades Council were protected by this ratio. Only in the case of the newspaper compositors was this barrier of entrance to the trade raised above the one to seven ratio, and here the vested interests had secured protection to the extent of a one to ten ratio.

Even the Photo-Engravers, who have exercised extensive control over training, have contented themselves with allowing one apprentice to the first five journeymen employed in a shop, and one for every six thereafter in the newspaper branch of the industry. The Pressmen, in both the newspaper and the commercial sections of the industry, have permitted a greater proportionate number of apprentices than any of the other allied locals except the Bookbinders. Of the two unions of Commercial Pressmen, only Local 3 specified any proportion of apprentices to journeymen, since the Feeders, although strategically located, were relatively unskilled and required little training. The position of the two unions was such that Local 4 (sometimes called the Franklin Union) claimed jurisdiction over practically all the work in the pressroom except that connected with the actual operation of presses. Originally its members were engaged mainly in feeding blank sheets into presses, but the growth of the union has been such that its jurisdiction has spread to include all of the pressroom assistants. As such, its jurisdiction overlapped that of Local 3, particularly on the matter of apprentice pressmen, and, by virtue of an agreement between the two unions made in 1907, apprentice membership in Local 3 was open only to men who had already served two years as assistants. This means that there was a constant transfer of members from Local 4 to Local 3 as openings occurred for apprentices, but since the number of pressmen required by the industry is much less than the number of feeders and assistants, many members of Local 4

might never be admitted to the position of apprentice pressmen.³² The apprenticeship ratio of one apprentice for the first three journeymen in a shop and one for every four additional journeymen, which was incorporated in the working agreement of Local 3, must be considered against this background. For the newspaper pressmen, the apprenticeship regulations were not parallel to those of any of the other trades, since the number of apprentices allowed a shop was based upon the number of presses rather than the number of journeymen employees. The rule that "each office may have one apprentice for each press, and as many flyboys selected by the employer as desired by the office," fixed no definite relation between the number of journeymen and apprentices, since the employer was to be the sole judge as to how many journeymen were required.

The most liberal regulations regarding entrance to the trade were found in the agreement of the Paper Rulers, where a shop with two journeymen was allowed one apprentice and every additional four journeymen hired carried the privilege of hiring an additional apprentice. The rule of the Bindery Women on this matter differed only with respect to the first apprentice, and provided for one apprentice for every four journeymen without qualification.

The Electrotypers' Union insisted upon the most detailed regulations regarding apprentices of all the local printing-trades unions. It subscribed to the ratio of one apprentice for every four journeymen, but a maximum was fixed at three to a shop. Appended to the 1930 agreement was a chart indicating the assignment of apprentices according to the agreement, for each month, beginning in April, 1928, and extending to December, 1936. The supplemental apprenticeship agreement was to run concurrently with the regular

³²This position of the Feeders gave rise to one of the few jurisdictional disputes in the Chicago printing trades (see Brown, op. cit., pp. 113, 124 ff.).

working agreement and be subject to annual revision in order that "a sufficient number of journeymen, no more nor less than is necessary to meet the normal demands for journeymen in the industry," might be forthcoming. Thus the plan contemplated joint industrial control that would be vain presumption except in a branch of the industry having extensive organization of both workers and employers.

For all the unions active in the commercial branch of the industry, the forty-four-hour week had become the standard before 1929. In that year the Typographical and the Photo-Engravers unions secured agreements providing for the gradual introduction of the forty-hour week in the commercial shops. The Compositors in exchange for a concession of a five-year agreement were promised a forty-hour week during the summer months of 1931 and 1932, and an extension of the forty-hour week throughout the year beginning April, 1933. By slightly different evolution, the forty-hour week was promised as a regular practice for the commercial photo-engraving shops by 1934.³³

In view of the fact that the eight-hour day was first introduced in the newspaper shops and only with difficulty and delay in commercial-printing establishments,³⁴ it is of especial interest to notice that only the Photo-Engravers had secured recognition of a shorter week than forty-five hours in the newspaper plants

³³The steps in the introduction of the forty-hour week for the Photo-Engravers were effective July and August, 1929, and one additional month each year, until in 1933 the shops are to be operated for one-half of the year on a forty-hour week (Agreement, art. 6, sec. 1).

The forty-hour week without reduction in weekly pay went into effect in the summer of 1931 for compositors in the commercial shops in spite of requests by some employers for modification of the agreement. See Monthly Labor Review, August, 1931, p. 115; Federation News, May 30, 1931, p. 4; June 20, 1931, p. 6.

³⁴Brown, op. cit., p. 84; also Leona M. Powell, History of the United Typothetae of America (University of Chicago Press, 1926), pp. 58 ff.

by 1929. The Mailers and Web Pressmen worked under the forty-eight-hour week on both the day and night shifts in 1929, but by virtue of the arbitration decision of August, 1930, the working week for the pressmen was shortened to forty-five hours for the day shift and forty-two hours for the nightmen. The Photo-Engravers enjoyed the shortest work week, which was forty-four hours for the day shift and forty-two hours for nightmen, while the Stereotypers' agreement provided for the forty-eight-hour and forty-five-hour week for day and night shift, respectively. The Compositors' standard week was forty-five hours for both daymen and nightmen, but this standard must be considered in the light of the fact that some of the newspaper compositors worked under a bonus system, and since such operators were guaranteed only seven hours of continuous composition per day, the actual working week for them might be somewhat less than the standard.³⁵

Payment on the basis of a time wage was the prevalent practice for employers of the members of the printing-trades unions. Only two of the locals, the Bindery Women's Union and Typographical Union 16, permitted members to depart from the standard time wage. The Compositors' departure was limited to the recognition of bonus scales for typesetting machine operators in newspaper plants, while

³⁵Newspaper Scale of Prices (1926-29), sec. 8. Compositors on the Foreign-language papers had secured the following standards for the working week in 1929: Bohemian, forty-four-hour day and night shift; Swedish, forty-four-hour day and forty-hour night shift; Hebrew, thirty-six-hour day and twenty-seven-hour night shifts. Only sixty-seven workers came under these standards in 1930. See Bulletin International Typographical Union, February, 1930, p. 71.

In an effort to alleviate unemployment among its members, Typographical Union 16 voted in 1931 to adopt the five-day week in the newspaper establishments for the period beginning November 1, 1931, and ending March 1, 1932. It should be noticed that this measure differed from the provision in the agreement of the commercial shops, where the five-day week meant higher hourly rates, although the weekly rate remained the same. The arrangement in the newspaper shops simply meant that hourly rates remained the same and that the work was distributed over a larger number of union members. See Federation News, November 21, 1931, p. 3.

the Bindery Women's Union incorporated detailed provisions for piecework covering some fourteen different processes in its agreement. The hourly time rates effective in 1929 for members of the allied locals in the commercial and newspaper plants may be summarized as shown in the accompanying table.

	Newspaper Shops		Commercial Shops
	Day	Night	Day Rate
Electrotypers 3.....	----	----	\$1.50
Typographical 16.....	\$1.40	\$1.51	1.295
Photo-Engravers.....	1.3068	1.50	1.295
Bookbinders 8.....	----	----	\$1.02 to \$1.178
Paper Rulers 6.....	----	----	1.159
Pressmen 3.....	----	----	1.00 to 1.159
Press Feeders 4:			
Senior Branch.....	----	----	0.983 to 1.13
Junior Branch.....	----	----	0.515 to 1.127
Pressmen 7.....	1.031	1.073	----
Stereotypers.....	1.02	1.14	----
Mailers 2.....	0.875	0.9375	----
Bindery Women.....	----	----	0.563 to 0.67

Protection against the undermining of these scales was accorded to the employer in all the agreements with the Publishers' Association by the provision that "if any terms affecting wages, hours, or working conditions, etc., are allowed by the union to any Chicago daily newspaper during the life of this agreement," such terms should immediately be allowed to the members of the Publishers' Association, or a clause having a similar effect. Similar assurance was given to the employers in the commercial shops by the two locals of Commercial Pressmen, the Photo-Engravers' Union, and the Bookbinders and Paper Cutters.

Recognition was accorded the principle of arbitration in all of the agreements of the allied unions except those of the three locals affiliated with the Brotherhood of Bookbinders. The Typographical Union in its relations with the newspapers, however, made the reservation that arbitration should apply only to a dis-

pute involving interpretation or enforcement of the agreement, and the privilege of refusing arbitration as a means of renewing the agreement at its expiration was explicitly stated.

Express statements restricting the amount of work which might be done by union members were conspicuously absent from most of the agreements. Both locals of Commercial Pressmen in their agreements with the Franklin Association, and the Photo-Engravers in its agreement with the Photo-Engravers' Association, expressly stated that "there shall be no restriction as to output." The one regulation which stood out as a restrictive measure designed to "make work" for the membership was that incorporated in the newspaper agreement of the Typographical Union, which prohibited "loaning, borrowing, purchase, or sale of news matter in type, linotype, matrix, or plate form," unless such matter was "reproduced within one week from the time of publication as nearly like the original as possible, made up, read, and corrected, and proofs being submitted to the chairman for inspection." The most significant exception to this general rule occurred where two or more newspapers operated under one management, in which case the loan of news matter was permitted without the requirement of reproduction.

One distinctive feature of the Electrotypers' agreement calls for special attention. Control over the industry was strengthened by the provision of a cost-finding system which was administered jointly by the employers' association and the union. The members of the Employing Electrotypers' Association were required to use a standard cost system, and monthly reports were prepared in duplicate form and submitted to the union and to the association. It was further agreed, in order that neither of the parties might be able to take advantage of the information so gathered, that "no records, findings, or statistics secured as a result of the operation of the Standard Cost System shall be used in any wage scale

negotiations, or arbitration proceedings without the consent of both parties." Additional regulation of the industry resulted from the agreement that "no new electrotyping plant shall be permitted to come under the terms of this agreement, unless....such plant....shall employ not less than four journeymen in its finishing department." In order to continue under the agreement, such a plant was required to maintain this minimum force throughout the period of one year, during which time no apprentices were to be permitted in either department of the shop. Obviously the intent of this section was to prevent small shops from entering the market and thus disturbing the system of joint control.

Aside from the general provision that no more favorable terms would be granted to new union shops during the life of the agreement, only one union, except for the Electrotypers, expressly provided measures designed to control the entrance of new firms into the market. The Paper Rulers' agreement, after conceding that the wage increase allowed was "not economically justified....because of chaotic conditions in the industry," indicated that the considerations permitting the increase were promises leading to joint control of the industry. The specific promises were as follows: the employers (the Franklin Association and its subdivision, the Paper Rulers Club) promised to co-operate with the union "in the matter of increasing its membership and improving general working conditions in every way in order to benefit the industry, and make it possible to continue the wage increase granted." The union in its turn promised that none of its members should be permitted to operate paper-ruling machines as proprietors except under the terms of the agreement, and if such proprietors were to "find additional production necessary," the union agreed to supply extra men only at one and one-half times the regular rate of pay provided by the agreement.

From the foregoing summary it would appear that the Typographical, Electrotypers', and Photo-Engravers' unions have been able to secure the most favorable terms and to erect the strongest barriers of protection for their membership of all of the allied trades. The Pressmen and Stereotypers, Bookbinders, and Paper Rulers appear to occupy a middle ground, while the Mailers' and Bindery Women's unions are clearly in the weakest positions.

III. Operation of the Agreements

When one surveys the entire field of union activity, it must be admitted that the joint agreements of the printing-trades unions have operated with a reasonable degree of success, despite the fact that a large and growing section of the book and job industry chooses to remain unorganized. Nevertheless, there have been, as in every industrial situation, certain problems the character of which suggests the determining forces influencing contractual relations.

Although the officials of the local printing-trades unions have been aggressive, there have been few cases in which this has led to breaches of trade agreements. Employers of union labor in the printing industry will commonly, though not invariably, concede that officials, although biased, have been reliable.³⁶ The incidents surrounding the strike of the Stereotypers' Union against the Publishers' Association in 1912 are among the most conspicuous exceptions to this general statement. In that year the president of Local 4 insisted upon calling an illegal strike in sympathy with the Pressmen and in direct violation of an agreement to arbitrate

³⁶In a rejoinder to a statement charging the printing crafts as "irresponsible" a union employer was quoted as saying, "I have been operating a union printing plant for many years, and I have the highest respect for the members of the Chicago Typographical Union 16 and the other printing trades unions" (see Typographical Journal, May, 1929, p. 416).

as well as of orders of international officers.³⁷ As a result of this action and upon complaint of the Publishers, the charter of Local 4 was canceled, its president expelled from the national body, and under the international officers a new local union was organized, which later took over the number and most of the members of the old local. This complete reorganization of a local union upon complaint that its officials had broken faith with the employers illustrates nicely the significance of the underwriting clause in the Publishers' agreements.

Perhaps the most general complaint registered by employer representatives against the unions is that they have unduly limited the number of skilled men available with the consequence that employers more frequently than is justified are furnished with incompetent men.³⁸ Obviously such a charge needs to be made specific if it is to have much meaning. All the unions recognize the right of the employer or his representative to discharge for incompetency, and such cases as have been found recorded indicate that the employers' decision is challenged only rarely. The right of discharge in cases of insubordination appears to be equally well established.³⁹

³⁷A detailed history of this strike is contained in Fagan, op.cit., pp. 269 ff. The writer has secured access to a pamphlet entitled Brief Statement of Facts, which was prepared on behalf of the ousted president of the Stereotypers and was submitted in his appeal before the American Federation of Labor Convention in 1915, which is not cited by Fagan, and which might appear to discredit his presentation. It is thus in point to call attention to the fact that Fagan's interpretation is based upon two contracts, which clearly brought the case under the terms of the Publishers' Association agreement requiring arbitration. These contracts, intentionally or otherwise, receive no treatment in the pamphlet mentioned.

³⁸Interviews with officials of three employers' associations; see also Fagan, op. cit., pp. 330, 326 ff.

³⁹The Typographical Union, which is most assiduous in protecting the rights of discharged members, recently decided a case directly in point. A foreman in one of the Chicago newspaper plants discharged a union member for refusing to work overtime when the entire office had been so instructed. The Chapel (the Typographical name for Shop Committee) ordered reinstatement, but the Executive Committee of Local 16 overruled the Chapel, and the local union in turn at its regular meeting (note continued on next page)

Such evidence as is available certainly does not warrant any general criticism of union policy on this score, although there have doubtless been cases of abuse of power. For the Compositors the right to discharge exists, but it can be exercised only in clear cases, and then is subject to appeal through the union courts.⁴⁰ For the newspaper plants, at least, there is no question as to the employer's control over the quality of his labor force except in the composing rooms. In the commercial branch of the industry, it is of significance that the most vigorous complaints as to the incompetency of union men come from the open shop rather than the union employers, and such scanty figures of turnover of labor in the union shops as are available would suggest that the union employers find little difficulty in disposing of workers when they desire to do so.⁴¹

The Typographical Union, with its enforcement of the "priority rule," has without doubt narrowed the avenue through which employers may make adjustments for wage increases. This rule operates to hinder the employer in arranging the working force so that the relatively incompetent are consistently on the list of the irregular employees. Apparently the law is not enforced in the commer-

overruled the Committee and sustained the Chapel. Upon appeal to the International Union, the decision was rendered that "the evidence presented fails to show discrimination and clearly indicates that the member acted in an insubordinate manner" (Case 4110E; see International Typographical Bulletin, January, 1930, p. 33).

⁴⁰A rule enacted in the 1927 I.T.U. Convention, but not effective in 1930 in Chicago, may have the effect of increasing the discretion of the representative of the employer in discharge cases (Fagan, op. cit., pp. 233, ff.).

⁴¹Reliable data for decision on this point are woefully lacking, but a survey made in 1920 by the Northwestern University Bureau of Business Research for the Franklin Typothetae indicates a higher rate of labor turnover in nineteen union shops than in nine open shops. Even this work, though carefully done, is not to be relied on for the reason of its meager sample, as well as the time at which the data were gathered. See Horace Secrist, Survey of the Book and Job Printing Industry of Chicago (MS, Crerar Library, Chicago, Ill.).

cial-printing establishments,⁴² and this fact, together with the effect of the law itself, has caused the newspaper plants to complain rather bitterly of its application.

One aspect of the question of the effect of union policy upon the ability to select and secure a sufficient number of competent men is concerned with the operation of the apprenticeship system of the various unions. Two problems arise in connection with the operation of the apprenticeship systems; the first is concerned with the character of training, and the second with the number of newcomers permitted to enter the trades.

Following the lead of the Typographical Union, the International Pressmen's Union has introduced the practice of furnishing its apprentices with a correspondence course. None of the other unions undertakes a more formal training program than the supervision of shop practice. If, as is sometimes done, the unions are charged with being unable to furnish competent men, there is at least a partial answer to this charge in the fact that the employers have not always been enthusiastic in co-operating with the unions in their training programs. It is of some significance that the more important moves looking toward the training of workers have been on the part of the large open-shop employers and have come as a defense against union control rather than as a product of joint action. In part, therefore, the responsibility for the standard of competency must lie with the employers.⁴³ It is true that

⁴²Fagan, *op. cit.*, p. 241.

⁴³In a recent arbitration case the representative for Pressmen⁷ charged that publishers have abused the privilege that "when an apprentice has completed a five-year term of service, he may be employed as a journeyman." Specifically he charged, "They have taken the position that when a boy has served five years they could place him in a journeyman's position,...they insist upon retaining them in those positions over the protest of the union....although the union has never been notified in any instance whatsoever that the men referred to were apprentices, and they have never taken the apprenticeship correspondence course as required by the International Union" (brief of the Union in Arbitration before H. A. Millis, chairman of Local Arbitration Board, August, 1930, pp. 119, 120).

both the Typographical and Photo-Engravers' unions have attempted to depreciate whatever creditable work has been done by the Chicago School of Printing and the Newspaper School of Photo-Engraving, but the circumstances out of which these projects have been developed and the spirit which has actuated their supporters could scarcely be expected to enlist the sympathy of the unions.⁴⁴

In so far as the unions are responsible for standards of competency, it is largely because of their influence upon the numbers permitted to become eligible for training. The Typographical Union had permitted the training of apprentices in a ratio of one for every ten journeymen in the newspaper shops since the beginning of the century. Up to 1931 the only change that had been made in this rule was with reference to the maximum number permitted in any one shop, which had been raised from six to eight. If the ratio of one to ten was adequate to meet the needs of the industry in 1897, when it was incorporated in the Publishers' agreement, it is to be doubted whether any wide opening of the gates has been justified even in spite of the sharp growth of the industry since that time. The introduction of mechanical devices for setting type has made possible the maintenance of an adequate working force without the increase in the number of workers that might otherwise have been required. In the commercial-printing establishments, the union's standard has permitted the training of one apprentice compositor for every seven journeymen, with a maximum of seven in any one shop. In view of the fact that printing establishments are customarily small, it is not likely that the fixing of the maximum num-

⁴⁴See Leese, op.cit., p. 137; American Photo-Engraver, April, 1930, p. 430. Even the open-shop employers do not seem to have readily supported their own project. Regarding this matter Miss Brown writes, "Perhaps the greatest problem was to secure co-operation of the employers. Not over a quarter of the members, i.e., of the Open Shop Association, were in active co-operation with the school at most times" (op. cit., p. 357).

ber of apprentices for a shop at seven works out so as to lower the actual ratio of trainees to journeymen much below the one-to-seven standard.

For the Newspaper Pressmen, it is fairly clear that union regulations have not been such as to place serious restrictions upon entrance to the trade. The employer, in addition to the one apprentice to each press, is allowed as many flyboys or carriers as in his judgment seem required. Flyboys and carriers, doing the unskilled work around the pressroom, are not technically apprentices, but they necessarily learn a great deal about the operation of presses, and are easily broken in as apprentices should the occasion require. The one apprentice to the press rule, disregarding the significance of the indefinite number of flyboys, appears to work out as a one apprentice to nine journeymen, or less, ratio.⁴⁵

In the job-printing establishments, the press feeders, or assistants as they are sometimes called, are the group from which the journeymen pressmen are recruited. Although they are not technically apprentices, this peculiar position of the assistants gives rise to a curious reversal of the apprenticeship problem. The question is not how to train enough apprentices, but how to keep the men satisfied with their positions as assistants since fewer pressmen are required than feeders. Openings for them as pressmen therefore do not arise as rapidly as the men are trained.

⁴⁵Although strenuously opposed by the Publishers in the matter, the union argued with considerable force, in the arbitration case of August, 1930, already referred to, that Chicago Publishers were undermanning their pressrooms and giving insufficient attention to the matter of training. The union brief reported that for day and night operation of an octuple press of four units, two of the large Chicago newspapers were using nine journeymen, including the pressman in charge, whereas the New York standard for the operation of a similar press required no less than seventeen journeymen. On the basis of one apprentice to the press, it seems that the Chicago custom works out as one apprentice to nine journeymen, or less. Whether the practice cited by the union was typical for all establishments it is impossible to determine.

It is this circumstance that has helped the press feeders to force wage concessions from the employers which another group of workers having a corresponding degree of skill might have failed to secure. On the other hand, the fact that the usual proportion between the trainees and journeymen has been reversed has worked to the advantage of the employers in assuring adequately trained pressmen on short notice in periods of emergency.

The two organizations that appear to have been most successful in their control over the labor supply through the regulation of apprentices are the Photo-Engravers and Electrotypers. Both of them small, compact groups of specialized workers, they have operated under conditions favorable to co-operation from the employers. In view of the criticism that has been leveled against the Photo-Engravers' Union regarding its restrictive regulation of apprentices,⁴⁶ it is of significance to examine such data as are available regarding the actual apprenticeship ratios in the union shops of Chicago. In 1929 the forty-four commercial union shops in the city were employing 955 journeymen and 113 apprentices, or 1 apprentice for every 8.45 journeymen. If taken without further questioning, this would appear to agree with the results of a study made in 1919 on a national scale by the Photo-Engravers' Association, and to lead to the conclusion that the employers were not using the full quota of apprentices allowed. The Chicago ratio,⁴⁷ it will be remembered, is one to seven for the commercial shops, but certain conditions which must be noted surround the application of this general rule.

The Chicago local recognizes nine branches of the trade, and membership cards are stamped designating the branch of work for

⁴⁶Eleanor Pancoast, International Photo-Engravers Union (University of Chicago Ph.D. thesis, 1927), pp. 379 ff.

⁴⁷Proceedings of the International Photo-Engravers' Union, 1920 Convention, pp.47 ff.

which the journeyman is qualified. For a member to transfer from one branch to another requires the approval of the Executive Board, and is similar in its formality to the transferring which commonly takes place among the membership of the different locals of an international union.⁴⁸ While the number of apprentices allowed is on the basis of the number of journeymen in the shop at large, such trainees are apportioned among the various branches of the trade, one apprentice being allowed to a department. No department is to be allowed a second apprentice except when aside from the general shop average such department employs five additional journeymen over the number employed when operating with one apprentice. Thus there is added to the possibility that some shops show less than one apprentice for every seven journeymen because of employing fractions of seven, the departmental feature, which may in some cases force the employer to reduce his actual ratio still lower if he is to conform to the union requirements.

Some reduction of this sort appears to have taken place. Forty-two of the forty-four commercial shops were employing apprentices in 1929. Although no figures as to the distribution of journeymen among the various departments are available for any of the shops, computed on the basic ratio of one to seven, it is possible to say that twenty-three of these shops were employing all the apprentices allowed. Furthermore, because some of these shops had more than enough journeymen to sustain the required relation between journeymen and apprentices, but not enough to be permitted to employ additional apprentices, there was an excess of sixty-five journeymen in these twenty-three shops above that needed to satisfy the ratio rule. Of the remaining nineteen establishments, thirteen employed one less apprentice than the basic ratio would have

⁴⁸Constitution and By-Laws (Local 5), Art. XXI.

permitted when no allowance is made for the departmental requirement mentioned, showing an excess of one hundred and eleven journeymen for the group, while six were by grace accorded the privilege of one more apprentice than the letter of the law allowed. An examination of the last group of six firms showed that they fell short of hiring the number of journeymen which the ratio called for by twenty-one, and if these are set against the one hundred and eleven extra journeymen in the shops apparently employing less than their quota of apprentices, ninety are obtained as a net remainder. On a proper distribution throughout the market, this number of journeymen would fail by one to support the claim of employers to hire an additional thirteen apprentices. Thus on the most cautious interpretation, this indicates the extent to which the union employers as a group failed to take advantage of the privilege of training the number of apprentices which the agreement permitted.

Even this possibility of employing thirteen additional apprentices tends to fade out when some of the inadequacies of the data are emphasized. All the figures used above were reported by the union as effective for July and August, 1929.⁴⁹ Unfortunately, data for the other months of the year are not available, but such deductions as are valid all point in the direction of the conclusion that the employers as a group were even nearer to the legal limit than is at first apparent. A condition attached to the local ratio clause states:

In the event that the working force is reduced and the apprentices exceed the ratio prescribed in this agreement, the last apprentice or apprentices employed shall be laid off to conform with this agreement, except where the excess of apprentices is due to the inability of the union to furnish journeymen.

It is quite likely that some of the firms, in view of this clause, chose to employ one less apprentice than they would sometimes be

⁴⁹See "Statistical Reports, Chicago Local 5," American Photo-Engraver, December, 1929, pp. 25-26.

permitted, because of the fluctuations in the volume of work. The value of apprentices to employers will naturally tend to increase with their period of service, and for this reason additions to the number of apprentices may not be made in the exact proportions which the ratio clause might permit. When there is a possibility that apprentices will have to be laid off a short time after they are indentured, employers would be loath to take full advantage of the established ratio.

Another factor to be emphasized which tends to indicate that the employers as a group were nearer to the real limit of the number of apprentices permitted than the survey of the previous figures seems to show is that of the departmental apportionment. When this factor is considered together with the one already mentioned, the evidence is conclusive that the industry has been training very nearly the full number of apprentices the agreement allows. This argument must not be construed as proof of the charge that the apprenticeship ratio permitted under the agreement has been too conservative to meet the needs of the industry, but it does refute the claim, sometimes made by the union officials as a reply to this charge, that the employers are estopped from criticizing the union ratio on the ground of its conservatism because they do not train the full number of apprentices which the ratio allows. For the Chicago situation, at least, this is not a valid reply.

In the electrotyping industry, reports of the actual number of apprentices registered are not available, but analysis of the plan of registration sheds some light upon the operation of this section of the agreement. Work in the electrotyping shops, similar to that in the photo-engraving establishments, is subdivided into the two branches of molding and finishing, and men are trained in either of these branches, but usually not in both. The number

of apprentices allowed is based upon the total number of journeymen continuously employed for six months prior to the application for registration. Plants giving regular employment to four journeymen in one department are allowed one apprentice in that department, two apprentices if eight journeymen are employed, and an additional apprentice for the next five journeymen. This arrangement holds true for both the finishing and molding departments, but no shop is entitled to have more than three apprentices in either department. This means that when allowance is made for possible doubling up during a few months prior to the promotion of some apprentices, no shop would be entitled to more than six apprentices. The union reported a membership of 749 in June, 1930, 1 per cent unemployment, and forty-five shops working under its agreement.⁵⁰ With allowance for unemployment, this report permits the calculation that the union shops employed on the average between sixteen and seventeen men. On the basis of the maximum number of six apprentices to a shop, this would mean an average of one apprentice to four journeymen. Since many shops will fall below the average, while others may employ considerably more than sixteen journeymen, the actual ratio of apprentices may be considerably less than one to four. An approximation of this actual ratio may be obtained from the number of apprentices contemplated by the plan for the nine-year period 1928-36. Throughout this period the plan calls for an average annual registration of twenty-four apprentices, and since the period of training is five years, this would mean that approximately ninety-six apprentices would be in training at any one time. Compared with the 1929 union membership without any allowance for rate of growth, this represents approximately one apprentice for seven union members. It appears, therefore,

⁵⁰Letter to the writer, June 3, 1930, from an official of Local 3, International Stereotypers' and Electrotypers' Union.

that the Electrotypers' agreement contemplates fully as rigorous control over entrance to the trade as does that of the Photo-Engravers.

One of the results of this rigorous control over entrance to the trades has been the tendency for some of the more strongly organized groups to obtain even higher actual wages than the union scales have called for. There is clear evidence that premium wages have been paid members of the Typographical, Electrotypers', and Photo-Engravers' unions, although this practice has probably not been as widespread as some complaining employers have intimated. At times, some of these organizations have encouraged the practice of individual bargaining for rates higher than the union scale. To meet this situation there was incorporated in the 1929 agreement of the Electrotypers the following clause:

For the purpose of maintaining a uniform or flat scale for all members of the party of the second part, and to prevent the re-establishment of the premium evil, both parties to this contract agree that the scale of wages herein set forth shall be the wage for which journeymen members of the party of the second part shall be employed and paid during the period above set forth.

The agreement stipulated, however, that no workers receiving premium wages at the time of its formation were to be reduced to the scale established, and when these provisions are interpreted in the light of the fact that the scale established by the agreement was higher than that for any of the other trades, one can surmise the nature of the bargaining that has taken place.

For the Photo-Engravers, the criticism of the practice of encouraging individual bargaining for premium rates has been most pronounced. From union sources it is reported that actual rates in the Chicago market averaged \$70 per week in 1929, and employer representatives have reported that payment of \$80 has not been uncommon. It is possible that the foregoing figures exaggerate the facts, but of the practice of paying premium wages in 1930 and the

years immediately preceding there is no question.⁵¹ In part such wages were sustained by the liberal unemployment-insurance system of the union which provided for weekly benefits of \$30 for a period of twenty-six weeks during the year.⁵² This system was maintained by union dues, which in 1929 had reached the high point of \$12 a month, which should be allowed for when the premium rates are considered.⁵³ The depression beginning in 1929 has had its effect upon the allied printing trades; so that the payment of premium wages probably became much less common after 1930, but the union, although challenged by economic forces, still retained a strong bargaining position.

The practice of paying premium rates in the union composing rooms has been less prevalent than in the electrotyping or photo-engraving establishments, but it has existed. In the case of the compositors, it is best understood when viewed in relation to the system of bonus payments effective in the newspaper shops. Curiously enough, whatever doubt exists as to the merits of bonus plans in the linotype composing rooms is of recent origin, and there has been little resentment to piece rates in the newspaper shops. In the book and job composing rooms, payment by the piece was early displaced by the time method, but it appears that some of the su-

⁵¹Interview. U.S. Bureau of Labor Statistics, Bull. 540, reported a substantial proportion of the photo-engravers as receiving premium rates in May, 1930 (see pp. 187 and 222; also see American Photo-Engraver, November, 1929, p. 1175).

⁵²On this basis the organization paid out a total of \$53,917.25 during 1925, which represents unemployment benefits to sixty-six members (about 5 per cent of the membership for that year) for a period of twenty-six weeks. It should be noted that there is no distinction made between unemployment due to sickness and that due to other causes. See Proceedings of the International Photo-Engravers' Union, 1926 Convention. Although the amount of the individual benefit had been reduced, the twenty-six-week period was extended indefinitely so that the total benefits paid in 1931 had increased to \$297,417.50. See Monthly Labor Review, May, 1931, p. 6; Federation News, January 23, 1932, p. 3.

⁵³American Photo-Engraver, November, 1929, p. 1175.

perior operators have been able to individualize their wage rates through demanding premiums above the minimum scales. Thus a Chicago contributor to the Typographical Journal states:

Piece and bonus scales are unfair to labor only when labor is unorganized and not able to regulate the operation of the rates. Employers always have and always will find ways to get production from the machines, and under the so-called "flat rates" get more production for less money than under piece and bonus scales. And in addition, under flat rates, men are compelled to adopt individualism as opposed to unionism. We have many instances of that in Chicago job shops where a flat rate prevails. Operators in job shops make their own individual scales with the offices in which they work, which scales are above the union "flat rate" scale.⁵⁴

In the newspaper shops where the payment on a bonus basis is in effect, the basic hourly rate for competent machine operators setting 4,500 ems per hour is \$1.13 for day workers and \$1.25 for night workers, but the operation of the bonus plan raises the actual standard of composition above this point. The bonus is paid at the rate of one cent per every hundred ems of matter set above the competency standard. If there were no other conditions, this would mean that bonus operators would have to set roughly 7,000 ems per hour in order to receive compensation equal to the time rates of \$1.40 and \$1.51 per hour for day- and nightwork, respectively.⁵⁵

To these rules for calculation of the bonus payment, there is added the provision that "no operator who has established his competency in the office, and who sets an average of 5,400 ems per hour, shall receive less than the hourly rate for time work."⁵⁶ The effect of this clause for the operators coming under it is to reduce the excess amount of composition above the standard of 4,500

⁵⁴August, 1929, p. 128.

⁵⁵The figure of 7,000 is not strictly accurate, although it is the amount referred to by the compositors as needed "in order to get a show at the bonus scale." See statement of Mr. Alexander Spencer, a member of the Chicago Typographical Union 16, in the Typographical Journal, November, 1929, p. 447. Actually the figure required is 7,200 ems for daywork and 7,100 for nightwork in order to make the bonus rates equal to the 1929 time scales.

⁵⁶Newspaper Scale of Prices (1926-29), sec. 7.

which would be required to make the bonus rates comparable with the time rates from 2,700 ems for day workers and 2,600 ems for night workers to 900 ems for both. To state this effect another way, the operators qualifying under this provision are paid approximately three times the bonus of a cent for each hundred of the first 900 ems of composition above the competency standard, and no additional premium is forthcoming until they have passed the 7,000-em mark, the natural result of which would be to weaken the incentive for additional production after 5,400 ems average per hour had been reached except for those operators for whom it would be possible to pass the 7,000 mark by a wide margin. The only production records available are for 1907, when the rate for machine compositors on the Chicago Newspapers averaged 5,700 ems per hour. Although out of date, this figure has a little meaning since there has been no change in the bonus system for thirty years.⁵⁷

Among the rules of the Typographical Union which have vexed the publishers extremely is that relating to the reproduction of borrowed matter. This principle was established in Chicago before it became a part of the code of the International Union, and the local union has insisted upon retaining the rule in spite of the fact that it has been abrogated in practice in many cities.⁵⁸ In Chicago during the negotiations leading to the agreement of 1926, the union sought to abolish the bonus system and to establish a time method of payment in the newspaper shops, but it met with the resistance of the publishers, who refused to change the method of payment unless the union repealed its rule with reference to the reproduction of matter. Neither side gained its point, but there

⁵⁷See Typographical Journal, November, 1929, p. 447.

⁵⁸American Newspaper Publishers' Association, Bull. 2590, quoted in Fagan, op. cit., pp. 241 ff.

are signs that the reproduction issue will be a recurrent one unless the union position is modified.⁵⁹

On the matter of arbitration, some additional observation is called for beyond the bare pronouncement that all of the printing-trades unions recognize the principle in some form or other. The International Typographical unions have taken the position that arbitration is permissible as to matters of wages and hours, but under no circumstances can it extend to union laws. The principal laws over which controversy has been generated are those requiring the foreman to be a member of the union, the priority rule, the apprenticeship regulations, and the reproduction law. Although quiescent in the Chicago market in 1930, this latent source of friction promised to revive itself.

The only other union refusing to permit any arbitration of the questions covered by union rules is the Electrotypers. In the Typographical agreement, those portions of the union rules which are to apply are specifically incorporated in the agreement, but the Electrotypers' agreement disposes of the matter more simply by saying that in "no case shall the laws" of the local or international union be the subject of arbitration.

IV. Limiting and Supporting Forces

Out of the foregoing discussion of indicia of strength of the various organizations of printing trades many cross-currents emerge, but certain underlying forces are nevertheless distinguishable. The first observation which suggests a solution of the question as to the forces supporting and limiting the practice of collective bargaining is concerned with the relative strength of organization in the two branches of the industry. In the newspaper establish-

⁵⁹Ibid., pp. 230 and 243.

ments recognition of the organization of the mechanical workers has been found to be the common practice, whereas the commercial section of the industry is sharply divided into two camps. Are the economic characteristics of these two branches of the printing industry such as to suggest a reasonable scientific explanation for this difference in policy?

Despite recognition of the complex influence of individual personalities both among the workers and the employers, the position here taken is that the question propounded in the preceding paragraph warrants an affirmative answer. Such an answer is justified as a result of an examination of the difference in the nature of employers' costs, income, and markets in the two sections of the industry. The difference in the first two of these items is clearly indicated by the census figures of total wages and value of products in the newspaper and commercial shops. The total wage bill for the newspaper and periodical establishments of Chicago according to the 1927 Census of Manufactures represented approximately 10 per cent, whereas that for book- and job-printing plants represented 32 per cent of the value of products of the respective classes of establishments.

If corresponding calculations were made on the basis of total costs rather than value of products, such percentages would of course be higher than these figures for both sections of the industry, but the relation would still be such that wages absorbed a far larger portion of the total in the commercial than in the newspaper branch of the industry. Except for the theaters, in all the other industrial groups studied thus far it has been observed that one of the more important forces sustaining labor organization has been the fact that wages have absorbed a large per cent of the employers' total costs. It would seem that the fact that in the

very section of the printing industry where the mechanical wage bill is of least significance organization of labor is the most extensive contradicts the conclusion above mentioned as to the relation between labor costs and organizability of labor. This apparent contradiction furnishes a second clear demonstration, illustrative of a situation similar to that found in the amusement industry, where two different sets of forces support organizations existing side by side.

The understanding of the apparent anomaly in the printing establishments is to be found in a consideration of the character of the markets of the two main divisions of the industry and of historical factors. The roots of the present labor organizations in the printing trades had taken firm hold long before the line distinguishing the newspaper from the commercial branch of the industry had been drawn.⁶⁰ As will be developed later, the modern newspaper plant stands out in sharp contrast to the job-printing establishment in the absolute necessity for uninterrupted operation.

The printing industry prior to 1890 was almost exclusively one of small units where the transition from status of employee to that of a small proprietor was easy, with the result that proprietors frequently knew more about the technical matters of plant operation than of business management. As late as 1889 the founders of one of the first commercial-printing plants in Chicago to reach large-scale operations in the modern sense declared:

The master printer generally rises from the composing room. His training makes him more of an artist than a trader. He usually starts in business by giving his customers the greatest amount of

⁶⁰The employees were first organized in 1850, and the Chicago Newspaper Publishers' Association was not organized until 1886 (Brown, op. cit., p. 47). While plants printing newspapers had begun to specialize earlier than this date, it was not until after the introduction of the linotype and other mechanical devices that the newspaper branch of the industry began to exhibit features that clearly distinguished it from the other forms of printing (ibid., p. 42).

service for the smallest compensation with the mental reservation that when he gets established in business he will advance prices and become rich. When the time for the advance comes he is surprised to find that a large number of printers, still in the artist (and artless) stage of development, are establishing themselves on the same basis of popular prices.⁶¹

In addition to this highly competitive character of the industry, another fact of importance in these early days was that the markets were largely localized. As in other industrial groups observed, these combined factors of local markets and competitive conditions create a situation in which labor organization receives a sympathetic audience from employers. When there is no fear of intermarket competition and direct labor represents an important item in employers' business expenditure, trade-union organization with its tendency toward uniform and stable wage rates exerts a powerful influence toward control of local competition.⁶²

It is significant that during the last half of the nineteenth century, in spite of temporary retreats forced by depressions, there was no important section of Chicago's printing industry which could be classified as anti-union. It is true that there had developed resistance by individual plants, but organized refusal to deal with unions of the printing trades was not firmly established until after the eight-hour strike of 1906.⁶³ Even the Bookbinders, an admittedly weak union in recent years,⁶⁴ could claim extensive control of the branch of the industry under its jurisdiction before 1900. Indeed, while the industry remained local in character, no extensive opposition to organization developed.

⁶¹Statement of Mr. Andrew McNally in United Typothetae of American Proceedings (1889), p. 9; quoted in Powell, op. cit., p. 79.

⁶²Powell, op. cit., p. 83, contains a significant statement from the editor of Inland Printer on influence of union in control of competition.

⁶³Ibid., p. 58; also Brown, op. cit., p. 171.

⁶⁴See statement by member of Chicago Local 8 in International Bookbinder, March, 1930, p. 109; also Emily C. Brown, "Price Competition in the Chicago Printing Industry," Journal of Political Economy, May, 1930, p. 201.

As the industry grew and as new and larger tasks were assigned to it, competition for these large jobs developed on a national market. It was not a mere chance occurrence that the labor organizations should meet the first organized resistance to union control emanating from establishments bidding for these larger jobs. These shops were necessarily the first to instal extensive mechanical equipment, and this fact must be borne in mind when interpreting their resistance to the inauguration of the eight-hour day in 1906. Almost twenty years earlier the Chicago Typothetae was organized by twenty-eight of the leading commercial establishments of the city when the unions threatened to enforce the nine-hour day. Unemployment resulting from the introduction of the linotype and other causes tempered the unions and produced postponement of the union demands for the shorter workday. This cautious policy, coupled with the return of prosperity in 1898, was sufficient to prevent the employers' organization from going on record as being in favor of the open shop until 1905.⁶⁵ It was in the smaller and medium-sized plants, therefore, that the union first secured recognition of the eight-hour day in 1906. The strike of that year was a signal for definite action in the movement of the larger employing printers, which for some years had been threatening to divide the industry.

For the fact that when the struggle of 1906 was over most of the large commercial establishments were arrayed with the open-shop group,⁶⁶ three possible explanations suggest themselves. The first is that these large concerns, drawing a substantial part of their business from the national markets, found themselves less influenced by local conditions and therefore less interested in trade-union efforts to stabilize such conditions than were the smaller firms.

⁶⁵Brown, The Book and Job Printers of Chicago, pp. 56 and 171.

⁶⁶Ibid., p. 175.

Another item to be considered was the fact that the larger firms with more elaborate equipment found the burden of shortening hours heavier because of high fixed capital charges. Finally, such concerns were better situated than the small establishments to draw upon a wider market for their labor supply.

This distinction between the large and smaller firms, which has become clearer since 1906, still marks the dividing line between the union and the open-shop branches of the commercial-printing industry. There are exceptions to this general statement. Three of the largest commercial-printing plants in the city were operating under union conditions in 1930. There are special circumstances, however, which account for these exceptions. Two of these plants had been granted important periodical contracts with informal, if not formal, stipulations that union labor must be used in their execution, while the third has built up its business largely on government contracts, where the political influence of the unions is an inducement to recognize them.⁶⁷ Another possible explanation suggested to the writer by an open-shop employer is that since these three plants are the only large union establishments, valuable special favors are granted them informally. While this is plausible, no real evidence is available to sustain these claims. While unionism in the commercial-printing industry finds its stronghold in the smaller and medium-sized shops,⁶⁸ it does not control

⁶⁷Typographical Journal, December, 1929, p. 544; Employers' News, October, 1929; Chicago Daily News, November 1, 1930; also interviews with employing printers.

⁶⁸Secrist's survey of twenty-eight shops showed that from October, 1918, to October, 1919, nineteen reporting union shops had an average of 24.7 employees, while the nine open shops reporting had 54 employees on the average. The sample is of course out of date and inadequate and would not justify any conclusion as to the relative size of union and open shops by itself. But personal interviews as well as the works cited by Brown and Powell all justify the conclusion that the typical union shop is not above the average in size measured on the basis of the number of employees.

many of the smallest job-printing shops of the city. A large number of these one-man shops the union finds great difficulty in organizing, for the reason, among others, that such shops frequently find their very existence dependent upon the breach of union rules. Although numerous, these shops perform only a very small part of the work of the industry and will neither have access to, nor equipment for, even those larger jobs for which competition is restricted to the local market. Many of the union shops are special process houses engaged in trade composition, photo-engraving, electrotyping, and stereotyping. For these specialty shops it is clear that desire for stabilization of prices and competitive conditions is among the principal forces supporting the collective wage bargain. This possibility of price control in the special process branches is further enhanced by the fact that the products of shops represent a small part of the total expenditure of the large commercial-printing and newspaper establishments using them.⁶⁹

The Photo-Engravers' and Electrotypers' unions, which have been able to substantiate the claim to the highest degree of organization of all the printing trades, are clearly in a position where stabilization represents one of the fundamental forces supporting collective action. In both photo-engraving and electrotyping shops, direct labor costs form a significant portion of total expendi-

⁶⁹For a development of the theoretical significance of this point see Marshall, Principles of Economics (8th ed.), pp. 382 ff. The interest of the union employers in the matter of price control is evidenced by the activities of the newly organized Master Printers' Federation. Not all the members of this employers' organization operate union shops, but "most of them are pro-union." Among other matters concerning competitive relations in the industry, this organization has taken steps to submit resolutions to various civic organizations asking for support to insure the work of public-school printing to Chicago firms, and has aided in maintaining a uniform rate for trade composition. See Typographical Journal, August, 1928, p. 243; also Brown, "Price Competition in the Chicago Printing Industry," op. cit., pp. 201 ff.

tures,⁷⁰ and control over the labor supply and wage rates by a central organization, therefore, means in large measure control over competitive practices. The following statement from one of the international officers of the International Photo-Engravers' Union indicates clearly that the union recognizes its function in this respect: "Our employers without assistance seem unable to accomplish stability, because alone they are powerless to escape destructive competition."⁷¹ While it is true that the influence of the union in this matter was more obvious during the period before the activity of the Federal Trade Commission and the New York State prosecutions had induced the union to abandon the use of the famous clause 10⁷² in its various local agreements, the actual insertion of this clause in 1915 makes little difference in the operation of the agreement. The union with or without it tends to dis-

⁷⁰The statistical department of the American Photo-Engraving Association, in a survey of costs for 188 establishments in 1926, divided these concerns into seven groups classified on the basis of the annual value of product, and found the item of direct labor cost to vary from 40.76 to 48.36 per cent of total sales. The advantage on this item lay principally with the groups producing an annual product valued at from \$50,000 to \$100,000, although the economy of administration and selling seemed to throw the net advantage to the largest firms with an annual product of over \$350,000. See Facts and Figures about Photo-Engraving for 1926 (Cost Accounting and Statistical Department, A.P.E.A.).

Figures of distribution of costs in the manufacture of electrotype plates obtained from most of the Chicago firms in the industry covering the period of 1929 and the first six months of 1930 indicate that only in two months did the average labor cost for the group fall below 50 per cent of total costs (records of the Chicago Employing Electrotipers' Association).

⁷¹Report of the third vice-president, Charles Horrocks, to I.P.E.U. Convention (Proceedings of 1924, p. 57). For statements of Chicago members of the union to the same effect, see American Photo-Engraver, August, 1929, p. 861; also ibid., September, 1929, p. 977.

⁷²Clause 10, introduced first in Chicago and later adopted by about thirty other local unions, expressly provided for co-operation between the union and the employers' association adopting it in the matter of local control over the industry by making employment of union members, and by the members of the employers' association, mutually exclusive. The briefest and most readily available account of the operation of clause 10 and of its history is to be found in Leese, op. cit., pp. 65-68.

criminate against the "unfair" concern; this is its avowed purpose. It requires the most innocent simplicity to assume that in an industry of localized markets, where the wage bill is the most important single item in the employer's total costs, trade-union activity can have only a negligible effect upon prices.

From the standpoint of the operative facts, the electrotyping industry is almost identical with photo-engraving in this respect. The local agreement of the union contains a clause very similar to the old clause 10 of the Photo-Engravers' agreement. With or without this clause, however, the agreement would tend to have the same effect. It is perhaps well to enter a note of warning at this point that the present argument is not concerned with the desirability of organization from the standpoint of social policy. All that is here contended is that the possibility of unionism exercising control over competition and prices in industries of this character has been one of the fundamental factors supporting collective bargaining.

At its inception, and even at the present time in the commercial branch of the industry, a major force which has aided in supporting unionism has been its power to inject stability into a highly competitive local market. It must not be assumed that explanation of labor organization on this basis disregards the character of the working force. In addition to the appeal which unionism may have for employers in such an industry, the labor organizations of the printing trades have been favorably situated because of the homogeneous character of the workers themselves. The printing tradesmen are skilled workers, a very large percentage of whom are native-born Americans. Not only have these requisites for the trade tended to limit the number of workers available, and so assisted in the perpetuation of control, but they have also been responsible in part for the ability of the workers to agree

upon a common policy and to avoid dissension, which so often has been prevalent in other labor organizations. Here and there have occurred protests by individual members, but the "left element" has never assumed the proportions in the printing-trades group which it has attained in the clothing industries, for example.

Turning attention to the newspaper branch of the industry, as has been suggested earlier, one finds that the forces supporting labor organization are of a very different character. No claim can be made that price control is an important feature in the structure supporting collective bargaining in this branch of the industry. The fact that the wage bill of the mechanical working force forms a relatively small part of total expenses alone makes the influence of unionism of slight significance as a price-control device. The more important argument, however, which prevents accepting the motive of price control as an explanation of the forces governing relations in newspaper establishments is concerned with the fact of quasi-monopolistic position. This argument runs in exactly the same terms as that advanced with reference to the organization of labor in theaters and will not be repeated here⁷³ The controlling factors in the newspaper industry will be found in the historical facts and the imperative necessity for continuous operation.

Had there been no organization of printing-trades workers before the newspaper establishments became distinct from those doing job printing, it is possible that the modern newspaper plants might have been able to escape collective dealing with their employees. However sound this conjecture may be, it is clear that the existence of strong labor organization before the growth of the metropolitan newspaper has made the process of maintaining collective

⁷³See supra, pp. 242, 243.

bargaining easier than it otherwise would have been.

Another feature that has aided organization of the printers has been the fact that the character of the work is such as to develop a rather high type of leadership for the unions. In the early days the workers were required to have not only a high degree of mechanical skill, but a considerable knowledge of language and grammar as well. To a large extent this is still true of the printing tradesmen, with the result that within their ranks they have been able to develop leaders who, despite their shortcomings, have shown a remarkable degree of appreciation of the problems of the industry. In part it was this quality of industrial leadership which enabled the union to provide successfully for the introduction of the linotype in the large newspaper offices, although important economic factors have also played into its hands.⁷⁴

In conjunction with the historical factor there are two characteristics of newspaper establishments themselves that make resistance to the unions unprofitable. The first is to be found in the importance of "clock-time production,"⁷⁵ and its corollary, the inability to shift production readily from one point to another. In this respect the position of the modern newspaper compares with that of the motion-picture theater described in the preceding chapter. The second characteristic of newspaper publishing is to be found in the nature of the distribution of its income. More than 70 per cent of the total income of the modern newspaper is from advertising, and less than 30 per cent from subscriptions.⁷⁶

⁷⁴For a detailed analysis of the policy of the Typographical Union with reference to the introduction of the linotype, see George E. Barnett, Machinery and Labor (Harvard University Press, 1926), chap. 1, esp. pp. 26-30.

⁷⁵For a description of processes and a brief characterization of the operation of the modern newspaper establishment, see Productivity of Labor in Newspaper Printing, Bull. 475 of the U.S. Bureau of Labor Statistics.

⁷⁶This is clearly indicated in the report of the Census of (note continued on next page)

Since by far the most important item in newspaper income is for advertising, and since this is dependent upon continuous and timely circulation, any interruption in operation, however slight, may seriously affect newspaper profits. Unless demands of established unions are exorbitant, publishers cannot afford the risk of even a strike or boycott.

Whether the unions are able to take advantage of this position of the publishers depends upon their control over the labor supply. Although extensive regulation of the labor market has been possible in the past, the character of the agreements of the various unions with the publishers clearly indicates that the organizations have been satisfied with temperate gains. Except perhaps for one or two of the more restrictive rules of the Typographical Union, there are no provisions in any of the agreements of the newspaper unions which grant any large degree of control over the operation of newspaper plants or appear to lay an undue burden upon the employers. The wage scales may be somewhat higher than would prevail under a system of open competition, but in return for whatever premium has been paid, the employer has been formally recognized as having full discretion in the matter of competency, and has gained the advantage of long-time contracts during a period of generally rising prices and wage rates.

An influence acting toward making the demands in the newspaper establishments of a conservative nature has been the fact that the more regular employment in the industry has not only made the workers willing to grant concessions, but has also made union management more favorably disposed to the publishers because of the

Manufactures (1927) showing that 10,973 newspapers reported a value of product of \$977,648,187 of which they attributed \$724,837,083 to advertising income. A similar situation prevails in the distribution of value of product of the periodical houses (see p. 600).

possibility of the newspaper workers supporting the commercial section of the industry during strikes.

Thus there is presented the picture of two types of unionism existing side by side within the same industry. Both rely upon ability to control the supply of skilled labor through apprenticeship and training programs, but this device is of particular importance in the special process houses of the commercial branch of the industry. Here competition is keen and localized, and the employers find stabilization of the market extremely difficult without organization of the labor force.⁷⁷ In the newspaper establishments, on the other hand, a major factor supporting collective action is to be found in the serious losses which might result from even a short interruption of operations compared with whatever slight disadvantage recognition of the union may entail to the publishers.

⁷⁷For a good unbiased presentation of employers' problems in controlling competition see the article by Miss Brown already cited.

CHAPTER VIII

THE WEARING-APPAREL WORKERS

I. The Organization of the Industries

The manufacture of wearing apparel is among the leading industries of Chicago. In all branches of manufacture combined, the clothing industries of the city give employment to more than forty thousand wage-earners. The relative importance of the various allied industries may best be expressed by reference to the census figures. Table XVII brings together the data on the number of establishments and wage-earners in the city in 1927.

It will be observed that only in the manufacture of millinery and men's clothing does Chicago employ more than 10 per cent of the total number of wage-earners engaged in the various branches of clothing manufacture in the country. In these branches of garment-making, only New York ranks ahead of Chicago from the standpoint either of the total number of wage-earners employed or of the value of the product manufactured. In addition to these two branches of garment-making, Chicago produces a fair share of the nation's total of cloth hats, corsets, leather gloves, women's cloaks, suits, and dresses, and fur goods. In the other fields of manufacture of wearing apparel Chicago's industry forms a relatively small part of the national total.

Although sporadic organization of workers in the garment industries extends back into the nineteenth century, the more effective organizations are of recent origin.¹ In 1929 there were or-

¹For an account of the early growth of the unions of clothing workers see J. M. Budish and G. Soule, The New Unionism (Harcourt, Brace & Howe, 1920), chap. 11.

ganizations in Chicago claiming jurisdiction over all the workers in the various sections of the clothing industry listed in Table XVII

TABLE XVII*

Number of Establishments and Wage-Earners in the Chicago Wearing-Apparel Industries, and Their Relative National Importance, 1927

Product	No. of Estab- lish- ments	Per Cent of U. S. Total	No. of Wage- Earners	Per Cent of U. S. Total
Boys' and men's clothing, except work clothing.....	299	8.3	19,494	13.4
Women's clothing, including cloaks, suits, and dresses..	384	5.0	9,709	6.2
Boots and shoes (except rubber).....	26	1.9	4,404	1.1
Millinery.....	138	12.0	4,298	12.8
Custom tailoring.....	833	----	2,232	----
Cleaning and dyeing.....	92	----	2,033	----
Knit goods.....	36	1.9	1,479	0.7
Corsets and allied garments..	17	7.6	1,165	0.4
Fur goods.....	233	7.9	954	4.9
Hats and caps, except felt and straw.....	59	10.0	588	9.2
Leather gloves and mittens...	15	6.4	578	6.3
Men's work clothing, except shirts.....	16	2.8	350	0.8
Shirts.....	24	2.6	300	0.5
Cloth gloves and mittens.....	4	3.0	210	2.0
Fur-felt hats.....	4	2.6	56	0.3
Total.....	2,180		47,850	

*Data from the Census of Manufactures (1927), except for the custom tailor shops. Data for these establishments are taken from "Wholesale and Retail Trade of Chicago, Ill.," which pamphlet is an analysis of the experimental Census of Distribution for 1926, made by the Census Bureau in co-operation with the Chicago Association of Commerce. The figure for cleaning and dyeing establishments has been corrected to make allowance for deliverymen. By making the same adjustment of the figures reported in the preliminary bulletin on "Power Laundries and Dyeing and Cleaning Establishments" of the 1929 Census of Manufactures, it is found that there were 2,396 wage-earners attached to 112 establishments in that year. Except for two other branches of the wearing-apparel industries, as will appear later, data for 1929 were not yet available by cities in July, 1932.

Although, with the exception of the Amalgamated Clothing Workers, all the unions are affiliated with the American Federation of Labor, they all depart to a greater or less extent from the principle

of craft unionism advocated by the Federation. The membership of the local unions of clothing workers active in Chicago in 1929 is presented in Table XVIII.

TABLE XVIII*

Membership of Chicago Unions in Wearing-Apparel Industries, 1929

Amalgamated Clothing Workers of America (A.C.W.of A.):		
11 Chicago local unions.....		16,883 ^a
International Ladies' Garment Workers Union (I.L.G.W.U.):		
Local 5 (Cloak Operators).....	450	
18 (Cloak & Suit Pressers).....	300	
81 (Cloak & Dress Cutters).....	190	
59 (Finishers).....	550	
100 (Dress Operators).....	370	
54 (Raincoat Makers).....	45	1,905
Boot and Shoe Workers Union:		
Local 93 (Mixed Trades).....	300	
94 (Girl Fitters).....	900	
133 (Cutters).....	195	
298 (Goodyear Welt Men).....	300	
303 (Sole Stitchers).....	200	1,895
Cloth Hat, Cap, & Millinery Workers I.U.:		
Local 52 (Women's Millinery).....		200
Journeyman Tailors Union of America:		
Local 5.....		1,065
Cleaners, Dyers, and Pressers Union:		
Federal 17742.....		2,000 ^b
United Textile Workers:		
Local 1084 (Surgical Knitters).....		15
International Fur Workers Union:		
Local 45.....		550
International Glove Workers Union:		
Local 70.....		40 ^c
United Garment Workers (U.G.W.):		
Local 33 (Women Operators).....	40	
21 (Cutters).....	50	
180 (Male Operators).....	300	390
United Hatters of North America:		
Local 9 (Finishers).....	56	
20 (Trimmers).....	25	81
Total.....		25,024

*Data unless otherwise indicated are approximate averages for 1929 and have been furnished directly to the writer by local union officials either by letter or by interview.

a. A figure for the Chicago locals of the A.C.W. of A. represented 15,383 members holding membership through the unemployment-insurance fund for the season May-November, 1927, and 1,500 additional members reported in an interview as being ineligible to insurance. See Documentary History, A.C.W.of A. (1928), p. 22. The figure given does not in strictness represent union membership, and therefore fails to give the Amalgamated full credit to the position which it holds. The number of workers in the Chicago

men's clothing industry has been declining steadily in recent years and the union retains a large number of workers on its books as members who are hopeful of returning to the industry, but who have made temporary connections elsewhere, or are wholly unemployed. The figure of 25,000, currently quoted as the Chicago membership, is however probably too liberal.

b. Herald-Examiner, November 7, 1929. The figure there quoted obviously includes deliverymen in the industry, for which an allowance has been made. Federal Union 17742 consists of workers in cleaning and dyeing establishments. Closely allied with it is Federal Union 17792, which consists of proprietors and workers in retail tailor shops acting as outlets for cleaning and dyeing establishments. This organization has been erroneously quoted as consisting of approximately 10,000 members. Its own officials claim only 4,000 and this is obviously the more reasonable figure. The union has an agreement with the Master Cleaners' and Dyers' Association providing for standardization of service charges and hours of closing, but the union is of little direct influence in the market.

c. Based on per capita tax, Illinois State Federation of Labor.

For the purpose of determining the extent of organization, the occupational figures for 1930, being more nearly parallel in time with the union membership data, are therefore more satisfactory than the material summarized in Table XVII. Using these figures, one finds that the membership affiliated with all the wearing-apparel unions represented somewhat more than one-half (53 per cent) of the gainfully occupied workers attached to the apparel industries. Upon turning to the separate branches of clothing manufacture, it is found that the strength of the individual unions measured in terms of extent of control over the working force was not uniform.

In the manufacture of men's clothing, although the Amalgamated and the United Garment Workers conflict in their jurisdictional claims, practically, the former contents itself with activity in the manufacture of men's suits and overcoats in Chicago, while the latter holds sway in the manufacture of men's work clothing and shirts. Taking this practical division as representing the real jurisdiction of these organizations, it is found that the Amalgamated in Chicago controlled over 90 per cent of the working force. The only manufacturers of men's suits and overcoats that did not

rely upon the Amalgamated as a source of their labor supply were small contractors having little influence in the market.²

Although the United Garment Workers, even in the years prior to the advent of the dual organization, was not successful in attaining its goal of organization of all the workers engaged in the manufacture of men's clothing, it has been able to obtain recognition in factories manufacturing work clothing.³ The 390 members of the three Chicago locals of U.G.W. represented 60 per cent of the wage-earning force engaged in the manufacture of men's work clothing and shirts in 1927. In the shirt factories only the cutters have been organized, but organization has been very nearly complete in the factories engaged in making work clothing.⁴

The International Ladies Garment Workers' Union claims jurisdiction over workers engaged in the manufacture of women's coats, suits, dresses, corsets, and allied garments. Its local membership of 1,905 represented approximately 16 per cent of the wage-earners in these sections of manufacturing in 1929. In the manu-

²Interview with an official of the Chicago Joint Board, Amalgamated Clothing Workers of America, November 20, 1930. Several employers have confirmed the statement above. Fortunately data for the two largest of the apparel industries have been classified by cities in the preliminary bulletin of the Census of Manufactures (1929) on "Wearing Apparel Industries," thus making possible further check on this estimate. It there appears that the men's and boys' clothing industry (except work) contained 17,706 wage-earners and the 1929 Amalgamated membership represents about 95 per cent of this figure. Although there were still numerous small non-union contractors in the city in 1930, it is known that the only large non-union factories existing in 1927 have since been organized. See Advance, March 29, 1929, p. 5.

³See National Industrial Conference Board (N.I.C.B.), Experience with Trade Union Agreements--Clothing Industries (1921), Research Report 38, pp. 36 ff.

⁴Employers' News, February, 1929, reports that "shirt manufacturers for years operated under complete domination of approximately thirty cutters." Since 1929 a strike of the cutters in the shirt shops has resulted in the hiring of non-union workers. In the work-clothing field fourteen Chicago firms were reported as using the United Garment Workers' label in 1930. Since the census reported only sixteen firms in operation in 1927, it is apparent that wide recognition is accorded to the union in this limited branch of industry. See Garment Worker, March 30, 1930, p. 7.

facture of women's ready-to-wear garments, dressmaking is separated from cloak and suit manufacturing. The Chicago Association of Dress Manufacturers has subscribed to the principles of open-shop operation. It has been reported that this organization, with the aid of unaffiliated manufacturers who follow its lead in refusing to recognize the union, has controlled over 85 per cent of the output in this section of the industry since 1924.⁵ In the year prior to that date the union claimed to have agreements with forty-five dress manufacturers, who employed 1,200 of the 6,000 workers in the Chicago market.

From the point of view of the number of workers employed, the dressmaking section of the Chicago women's wear industry is much more important than the cloak and suit section. Although the census data do not separate the two, figures compiled by the University of Chicago Local Community Research Committee from the reports of the factory inspector indicate that in 1926 there were 1,309 workers employed in the cloak and suit factories of the city as compared with 5,718 engaged in the manufacture of dresses, waists, and aprons. If these figures are compared with those for the respective unions, it would appear that only about 5 per cent of the workers in the dress factories were members of labor organizations,, while very nearly all of the workers in the cloak and suit section of the industry were unionized.

⁵Employers' News, October, 1929; March, 1930. The Dress Manufacturers' Association was organized in March, 1924. See Mabel Magee, *The Women's Clothing Industry of Chicago* (University of Chicago Ph.D. thesis, 1927), p. 331. Although a high degree of organization was temporarily achieved in the dress trade in 1919, it is clear that since 1924 there has been a steady decline in union control (*ibid.*, pp. 313, 342). In 1926 the union and the Dress Manufacturers' Association agreed that 17 per cent of the workers were members of the union. Even in 1923 not over 20 per cent of the workers in the dress shops were organized (*ibid.*, p. 320). For the women's clothing industry the wage-earners in "all factories" in 1929 were reported as 11,590 in the preliminary census bulletin on "Wearing Apparel Industries."

The fact that the membership of the I.L.G.W.U. represented most of the workers in the cloak and suit shops must be discounted because many of them are forced to work in open shops without the protection of union agreements. Since the general strike in the dressmaking shops and the organization of the Association of Dress Manufacturers in 1924, the union has been of little influence in this section of the industry, but in the cloak and suit branch it was still recognized by the employers' association and had closed-shop agreements with about fifty firms, or as nearly as can be estimated, about one-half of the total number of this type of establishments in 1929. Since 1927 a rival organization consisting of the "left element" in the union has been set up under the title of the Chicago Joint Board of the Cloak and Dressmakers' Union. While it reduced the membership of the old organization somewhat, it had gained no recognition from the employers and has had little positive influence in the market.⁶

Calculation of the extent of control of the Fur Workers on the basis of the census data is likely to be misleading since the organization has staked its claim to a number of workers in department stores and retail establishments which escape listing in the census classification. Taking the census figure as given, however, one finds that the union membership of 1929 represents 57 per cent of the total number reported as attached to the industry in 1927. Similar comparison on the basis of establishments shows that the 150 shops with which the union had contractual relations represented about 67 per cent of the total.⁷

⁶Interviews with an official of the Chicago Cloak and Suit Manufacturers' Association, November 25, 1930, and an official of the Chicago Joint Board of the International Ladies Garment Workers' Union, August 7, 1930. The left organization has maintained an office at 28 South Wells Street, but it has been impossible to reach any of the officials for an interview.

⁷The union reports that even at the peak of its membership in 1927 it could not claim more than 80 (note continued on next page)

The two locals of the United Hatters of North America controlled all except one of the felt hat factories in the city in 1927. The industry then consisted of but four establishments; by 1930, however, the non-union branch of the industry had grown to such dimensions that the 81 members of the United Hatters represented but 10 per cent of the operatives and laborers in hat factories.

The Cloth Hat, Cap, and Millinery Workers in 1930 claimed five local unions in Chicago. Since 1928, however, the three local unions of capmakers have been forced into inactivity by virtue of a general lockout by the manufacturers. Another lockout in the millinery branch of the industry left only the 200 members of Local 52 in the field in 1930. In view of this unstable situation, calculation of the extent of control of this union has little meaning.⁸

The Boot and Shoe Workers, with their 1,895 members, controlled approximately 55 per cent of the operatives in Chicago shoe factories in 1930, but all of these were employed by one company in four different factories, and the union thus partook of the nature of a shop council. It should be noticed that this organization claims jurisdiction over men working in shoe repair shops, and

per cent of the workers as members. Since that time there has been a distinct shrinkage in the extent of union control. Interview with a representative of the International Fur Workers' Union, December 4, 1930. In 1930 there were two unions in the city which claimed jurisdiction over the fur workers, both operating under the title of the Chicago Fur Workers' Union, but the A.F. of L. organization is Local 45, and was first in the field. The other organization, the result of a split of the "left element" away from Local 45, maintained an office address of 120 North La Salle Street, but, as in the case of the Chicago Cloak and Dressmakers' Union, repeated efforts to secure information on its activities have met with no success. It was apparently of little importance in the market.

⁸The five locals chartered in Chicago are Nos. 5, 47, 52, 53, and 54. On the 1928 lockout see Federation News, February 11, 1928, p. 10; also Retail Clerks International Advocate, February, 1928, p. 4. On the lockout of the millinery workers see Monthly Labor Review, April, 1930, p. 124; Federation News, January 11, 1930, p. 10; December 28, 1929, p. 9; November 15, 1929, p. 9.

if allowance is made for this fact, the extent to which it controlled the working force would be considerably diminished. Although the organization does have a local of Repair Men, 520, it was evidently of little influence and no detailed information is presented regarding it.

Of the remaining organizations of clothing workers, only the Journeymen Tailors and the Cleaners, Dyers, and Pressers are of sufficient strength to exert any influence in the market. The Cleaners and Dyers, through their agreement with the Master Cleaners' and Dyers' Association, which included most of the important cleaning establishments of the city, controlled fully 80 per cent of all the workers in the industry.

An attempt to approximate the extent of control of the Journeymen Tailors indicates that about 47 per cent of the workers in the custom-tailoring establishments of the city were organized in 1926. As far as can be learned, there was no great change in the position of this union in the four subsequent years.⁹

The textile workers and the glove workers were clearly the least extensively organized. The Glove Workers' Union had agreements with four of the nineteen glove factories of the city in 1928,¹⁰ but the forty members upon whom per capita tax was paid in 1929 represented only about 8 per cent of the workers in the industry. The fifteen members of Local 1084 of the United Textile Workers were all hand knitters engaged in the manufacture of seam-

⁹Interview with an official of the Chicago Merchant Tailors' Association, November 25, 1930; letter from an official of Local 5, Journeymen Tailors' Union, July 17, 1930. In October, 1931, this union refused to permit the introduction of piecework and struck against numerous shops. Since that date its control over the market has diminished. See Monthly Labor Review, December, 1931, p. 144; Federation News, October 10, 1931, p. 2, and October 17, 1931, p. 17.

¹⁰Federation News, May 19, 1928, p. 18.

less surgical goods.¹¹ They were distributed among four establishments making such corrective appliances, but the organization had no membership among the sixteen hundred or more workers employed in factories making textile products for the general trade.

Account should here be taken of the position of the various unions with reference to the formation of agreements. More autonomy is accorded to all the other local unions than to those affiliated with the A.C.W. and the I.L.G.W.U. Both of these organizations maintain federations of their Chicago locals in their respective joint boards. For the A.C.W., the Joint Board is in fact the administrative body of the Chicago market.¹² The agreements of the union are formally made with the officials of the national organization and the Chicago Joint Board.

The Joint Board of the I.L.G.W.U. has more limited powers. Although its officials, elected by the affiliated local unions, are the active parties engaged in the negotiation of working agreements, they serve as agents of the locals, the agreements being with them and not with the Joint Board or the national body.

Although the associations of employers in the wearing-apparel industries are numerous, two of them are of outstanding importance in relations with the unions. These are the Chicago Cloak and Suit Manufacturers' Association and the Chicago Industrial Federation of Clothing Manufacturers. Separate associations of the millinery manufacturers and the cloth hat and cap factories have in recent years discontinued the practice of dealing with the union represent-

¹¹Letter to the writer from an official of Local 1084, June 19, 1930.

¹²The A.C.W. Joint Board "is composed of eighty-five delegates elected annually by the local unions, a manager and financial secretary-treasurer elected by the entire membership, and two deputies at large similarly elected." Finances of all the Chicago local unions are under the centralized control of this body. See Clothing Workers of Chicago, 1910-1922 (prepared by this Board), chap. I.

atives, and may now be classed as open-shop organizations. In the fur-goods manufacturing industry there are two employers' associations that have relations with Local 45. The larger and more important of these, known as the Chicago Fur Manufacturers' Association, included about forty of the largest furriers manufacturing for the retail trade of the city in 1930. The other organization is called the Chicago Fur Trimmers' Association and consisted of eighteen establishments manufacturing collars, cuffs, and trimmings for the cloak and suit shops of Market Street.¹³

In the fields of custom tailoring and cleaning and dyeing there are active employers' associations of long standing. The Chicago Merchant Tailors' Association comprised only thirty-nine firms and made no pretense at exclusive organization of the market. It negotiated annual agreements with the Journeymen Tailors' Union.¹⁴ The Chicago Master Cleaners' and Dyers' Association included 104 of the 112 cleaning plants of the city,¹⁵ all of which recognized the Cleaners', Dyers', and Pressers' Union.

The Chicago Cloak and Suit Manufacturers' Association was the result of a consolidation of an older organization of the same name with the Northwest Cloak and Suit Manufacturers' Association. The reorganization, which took place in November, 1927, left Chicago with only one employer's association which recognized the I.L.G.W.U. In 1930 the Manufacturers' Association reported that twenty cloak and suit factories were affiliated with it.¹⁶ The union claimed

¹³Interview with an official of the Fur Workers' Union.

¹⁴Interview with an official of the Chicago Merchant Tailors' Association.

¹⁵Federation News, January 11, 1930, p. 5. The figure of 112 establishments is from the preliminary bulletin on "Power Laundries" Census of Manufactures (1929).

¹⁶Interview with an official of the Cloak and Suit Manufacturers' Association. Levine reports on the basis of data obtained from the Bureau of Census that there were 112 suit, cloak, and skirt factories in the city in 1921. See Louise Levine, The Women's Garment Workers (Huebsch, 1924), p. 516.

that it had agreements with thirty cloak and suit firms in addition to those which were members of the Association.

In the manufacture of corsets, over which the I.L.G.W.U. also claims jurisdiction, no employers' organization exists for the purpose of negotiating with the union. Of the seventeen firms operating in the city in 1927, only one recognized the union, and this recognition was limited to the employment of Cutters, Local 81.¹⁷

The most important of the wearing-apparel industries in the city, considered from the standpoint of the number of workers employed, is easily the manufacture of men's clothing. The industry divides itself into two main branches, ready-to-wear manufacturing and special-order work. A small group of firms engaged in sponging and refinishing textiles serves both of these main sections of the industry. The first of these two main divisions is made up of the large wholesale clothiers, engaged in the manufacture of standardized garments for retail stock. Although in January, 1930, there were only twenty-four firms in this branch of the industry, they dominated the market to the extent of employing about 50 per cent of the workers in the men's suit and overcoat factories of the city.

The special-order branch of the industry is again subdivided into the so-called "tailors to the trade" houses, the "cut, trim, and make" houses, and the contracting shops. In all three of these subdivisions of the industry the type of product manufactured is similar. The distinction lies in the method of manufacture. All the houses manufacture garments for immediate delivery on order from tailor shops or direct-to-consumer salesmen acting as agents for them. Many small tailor shops in southern and western towns ostensibly engaged in tailoring suits to the individual measure-

¹⁷ Federation News, February 10, 1928, p. 11.

ment of local customers rely on these special-order shops of Chicago to do their manufacturing for them. The "tailors-to-the-trade" houses (hereafter referred to as "special-order tailors") make up the entire garment, usually from an inventory of goods on hand. The "cut-trim-and-make" houses (hereafter referred to as "cut-and-trim" houses) frequently divide this work, cutting the material from patterns inside the shop and sending the pieces to a contractor for assembly. Usually the contractors carry no stock of goods, and frequently the cut-and-trim houses secure materials to fill orders only after such orders have been received.

There are of course practices which transgress the distinctions set forth above. Some of the special-order tailors may send part of their work to the cut-and-trim houses or the contractors, and even the large ready-to-wear clothiers may on occasion rely upon the contractors for assistance. In the past a great part of the product of the clothiers was produced through the use of contractors, but this practice has been rapidly disappearing in the Chicago market.¹⁸

This background of the character of the Chicago market is essential to an understanding of the positions of the employers' or-

¹⁸The situation in New York is a distinct contrast to that in Chicago because contracting is still an extensive practice in Manhattan. This is reflected in the fact that the average men's clothing factory in Chicago employs sixty-five wage-earners as compared with eighteen in New York. See Census of Manufactures (1927); also see Hearings on Unemployment, Senate Committee on Education and Labor (1929), pp. 386 ff. This report furnishes the most recent reliable published information on the operation of the unemployment-insurance plan of the Chicago market. It incorporates a preliminary draft of a section of a study of unemployment insurance by the Industrial Relations Counselors which contains a detailed statement of the operation of the Chicago plan prepared under the direction of Bryce M. Stewart, who because of his prior affiliation with the Chicago employment office of the A.C.W. was in a peculiarly advantageous position to undertake such a task. Those familiar with this work of Mr. Stewart's will recognize the extent to which it has been relied upon in the present study, but specific recognition is called for at this point. Hereafter the report of these hearings and the exhibits published as a part of them will be referred to simply as Senate Report 2072.

ganizations in the industry. The Chicago Industrial Federation of Clothing Manufacturers is a federated body of two employers' groups, the one consisting of five of the large wholesale clothiers, and the other comprising nine of the special-order tailors. In 1930 these fourteen firms made up the organization which was the principal bargaining agent representing the employers of the market in determining labor relations.¹⁹ There are also associations of the contractors and the cut-and-trim houses, but these are not affiliated with the employers' federation, and they exert little influence upon industrial relations.

II. The Working Agreements

Except for the Amalgamated Clothing Workers and the Cloth Hat, Cap, and Millinery Workers' Union, all the labor organizations active in the Chicago wearing-apparel industries operated under closed-shop agreements in 1930.²⁰ Since early in 1928 the Cap and Millinery Workers have had no agreement in the capmaking shops,²¹ and the lockout by the Chicago Millinery Manufacturers' Association in November, 1929, left the organization without an agreement in the ladies' hat shops.²² The Amalgamated Clothing Workers has never secured the closed-shop form of agreement in the Chicago

¹⁹Interview with an official of the Chicago Industrial Federation of Clothing Manufacturers, November, 1930. In December, 1926, thirty-six clothiers and special-order tailors were reported as association firms (see *ibid.*, p. 399). Since that time several firms have discontinued business and others have withdrawn from the association.

²⁰This statement does not take into account the agreements of the small unions of the Textile Workers, Hatters, and Glove Workers. The International Glove Workers' Union has a standard label agreement, but schedules of prices are made by local negotiations. See U.S. Bureau of Labor Statistics, Bull. 468, p. 76. Except where explicitly mentioned, none of the subsequent discussion is applicable to any of these three organizations, nor does it apply to the Cleaners', Pressers', and Dyers' Union.

²¹Federation News, December 17, 1927, p. 3; December 24, 1927, p. 1; February 11, 1928, p. 10.

²²*Ibid.*, January 11, 1930, p. 10; December 28, 1929, p. 9; Monthly Labor Review, April, 1930, p. 124.

market. In 1919, when the market was organized, the preferential union shop was instituted, and this has been in effect ever since.

None of the agreements of the clothing workers provided for recognition of the unions to the extent of the check-off of union dues by the employers, but all the organizations were granted the privilege either of having a permanent union representative appointed from the shop force or of sending accredited union officials to the shop at intervals for the purpose of collecting sums due the union.

The agreements of the United Garment Workers, Journeymen Tailors, Hatters, and Shoe Workers were all short and relatively simple in character. The Hatters' agreement consisted merely of a bill of prices effective for the period from June, 1926, to June, 1930. Locals 21 and 180 of the United Garment Workers and also the Shoe Workers' locals used the standard form of label agreement furnished by the parent-organizations.²³ Although most of the organizations of cloth workers provided for the issuing of a union label, it was not accorded an important position in the agreements of any of the other unions. Local 33 of the United Garment Workers, all of the members of which were women employed in the manufacture of white-duck clothing, made a separate agreement that provided for slight modifications of the standard form.²⁴

Neither the duration nor expiration dates of the agreements are uniform. The arbitration agreement of the Shoe Workers was a continuing one with provisions for reopening negotiation on the

²³The principal sections of the label agreement of the U.G.W. are to be found in Bull. 383 of the U.S. Bureau of Labor Statistics, pp. 58-59. Except for the increase in the price of labels from \$3.00 to \$4.00 per thousand this agreement had remained substantially unchanged up to 1931. For an analysis of this standard agreement see Research Report 38 (N.I.C.B.), pp. 47 ff. For the standard form of arbitration agreement of the Boot and Shoe Workers' Union see almost any issue of the Shoe Workers Journal.

²⁴Letter to the writer from an official of Local 33, August 14, 1930.

bill of prices at intervals, the 1930 bill expiring in the spring of 1931. The agreements of the two local unions of the United Garment Workers that used the standard form are renewed from year to year and usually expire in February, but the agreement of the sister Local 33 which became effective in August, 1929, terminated in May, 1931. The Journeymen Tailors in Chicago followed the practice of making terms renewable annually, the negotiations for such renewal usually being made prior to October 1. Since 1919 the market agreements of the Amalgamated Clothing Workers have been for three-year periods, the one effective in 1928 expiring in 1931.²⁵ Likewise, the 1928 union agreement with the Chicago Fur Manufacturers' Association was for three years and expired in June, 1931. Only the two small local unions of the Hatters exceed this three-year limit in fixing the terms of employment. The agreement of Hatters Local 9 was effective in June, 1926, and expired in the corresponding month in 1930. The latest available agreement of the Chicago Joint Board of the International Ladies' Garment Workers with the cloak manufacturers was made in December, 1926, for a three-year period, and was extended for an additional year shortly before its termination. Negotiations for a new agreement which was to introduce a new basis for wage payments were therefore pending in the latter part of 1930.

Except for the Journeymen Tailors, all the organizations of clothing workers explicitly recognized the principle of arbitration in the settlement of disputes, although, as will be seen later, such recognition assumes its most significant form in the agreement of the Amalgamated Clothing Workers.

The members of all the Chicago unions of clothing workers

²⁵This agreement was renewed for another three-year period without change in April, 1931 (see Federation News, April 25, 1931, p. 6).

generally accept payment by the piece as the recognized method of wage payment. Allowance must be made in this statement for the Journeymen Tailors, the Fur Workers, and the Cutters affiliated with the A.C.W. and the U.G.W., for whom the payment of a time wage has been insisted upon. Until recently payment of a time wage has also been accorded to the members of the I.L.G.W., but in November, 1930, the issues were drawn clearly between a return to a piecework system and a strike or lockout, with the result that the union voted to accept a piecework method of wage payment. Negotiations were under way in 1930 to settle the specific form which this method should assume. It was understood that the settlement would leave Cutters Local 81 (I.L.G.W.) on a time scale, but although the other members of the union had agreed to return to some form of "payment by result," the exact nature of the new system had not then been determined.²⁶

The forty-four-hour week had become standard practice for all the organized workers in the wearing-apparel industries by 1931, with the exception of those employed in the fur shops and ladies cloak and suit shops. The Fur Workers entered upon a strike in July, 1926, demanding the establishment of the forty-hour week in the industry, but were forced to compromise upon a forty-four-hour week during the busy season of from August 15 to January, with the forty-hour week effective for the remainder of the year.²⁷ In the cloak and suit branch of the women's garment industry, hours of the standard week were reduced from forty-four to forty-two by agreement in December, 1926. Moreover, it was provided that a fur-

²⁶Interview with an employer representative, November, 26, 1930. The date of this interview was the day following that which the union had voted against a strike and in favor of a return to piecework. Details regarding the introduction of the piecework system were not finally worked out until January, 1931. See *ibid.*, January 10, 1931, p. 10.

²⁷*Ibid.*, July 31, 1926, p. 2; January 8, 1927, p. 5; interview with an official of the Fur Workers' Union.

ther reduction of two hours per week should take place after eighteen months, thus introducing the forty-hour week in June, 1928. This agreement, without important changes, continued in effect down to December, 1930, and since then the forty-hour week appears to have become an established institution.²⁸

The local unions affiliated with five of the national organizations of clothing workers made some arrangements for the division of work during the dull seasons. Local 33 of the United Garment Workers provided only that seniority rights should be recognized when lay-offs were necessary,²⁹ but the members of the other two affiliated local unions were protected by the clause of the standard label agreement, to the effect that "during the slack season the work will be so divided that each employee will receive approximately an equal amount of work." Similar treatment was accorded this matter in the agreements of the Journeymen Tailors of the Chicago Joint Board of the International Ladies Garment Workers' Union and of the Amalgamated Clothing Workers' Union, save that in the agreement covering the cloak and suit shops, equal division of work was not specifically limited to the slack seasons. Added to the demand for the forty-hour week of the Fur Workers in the strike of 1926 was a request for job control similar to that provided in the aforementioned agreements. As on the forty-hour week, a compromise was effected on the question of division of work, which resulted in the incorporation in the agreement of the somewhat ambig-

²⁸The agreement of December, 1926, was to run for three years and provided for the introduction of the forty-hour week at the end of the first half of the agreement period. Although the change in trade conditions made a strike appear imminent in June, 1928, when the forty-hour week was to begin, its introduction was accomplished without serious friction. See *ibid.*, December 18, 1926, p. 3; June 23, 1928, p. 9; letter to the writer from an official of Local 5, I.L.G.W.U., July 2, 1930; also U.S. Bureau of Labor Statistics, *Bull.* 540, p. 279.

²⁹Agreement (1929-31), sec. 7.

uous clause, "The principle of equitable division of work is recognized to be carried out whenever possible."30

Closely related to the "equal division of work" principle are the various regulations regarding overtime. All the clothing unions observed the conventional requirement of one and one-half times the regular rate of pay for overtime, but the two unions that had secured the forty-hour week went further and placed absolute prohibitions upon certain classes of overtime work. The I.L.G.W.U. local unions prohibited overtime work during periods from November 15 to December 31, and from May 1 to July 15, with the provision that if for any particular manufacturer the dull seasons fell at some other time during the year, an adjustment should be made accordingly. During eight months of the remaining nine of the year, overtime work was permitted, but limited to two hours per day on the five working days of the week. Hence, fifty hours per week was the maximum working time permitted in the ladies' cloak and suit shops of the city.

Differing from the foregoing in detail but similar in purpose is the provision of the Fur Workers' agreement, which prohibited overtime except within the period from the first Monday in September to the first Monday in February of the following year. This overtime period was divided, and from September 1 to December 1 the limit upon overtime work was fixed at three hours per day for the first five days of the week and four hours on Saturday. During the latter part of the period (December to February) "no overtime shall be permitted....if there are any workers out of work."

30Sec. 26. The clause above, despite contentions that have been made, does not grant the same protection as the similar provision in the A.C.W. agreement, which reads as follows: "During the slack season, if any, the work shall be divided as near as is practical among the union employees." Reflection will indicate that equal division of work is mandatory according to this clause, while the Fur Workers' provision leaves discretion as to the application of the principle in the hands of the employer.

Additional recognition was given to the worker's right to his job in the agreements of the Amalgamated, the Ladies' Garment Workers, and the Fur Workers. The last mentioned of these provided that no workers should be discharged except for cause after a two weeks' probation period, during which time discharge was not subject to review. Similarly, the Ladies' Garment Workers provided for a probation period of one week, while the A.C.W. had a more general provision to the effect that "the full power of discharge and discipline remains with the company and its agents; but it is understood that this power shall be exercised with justice and with due regards to the reasonable rights of the employee, and if an employee feels that he has been unjustly discharged, he may have appeal to the Trade Board, which shall have power to review the case." Such protection against unjust discharge as was granted to the members of other unions of the clothing workers was not recognized in their agreements.

In addition to the preceding discussion, which is of more or less general application to the agreements of all the unions of clothing workers, special attention must be accorded the agreements of the two largest unions. Both the A.C.W. and the I.L.G.W. contemplate extensive control over working conditions. Their agreements therefore are far more detailed and comprehensive than those of the other unions. Perhaps the first feature to be noted with reference to these two agreements is one as to their general character rather than to any specific provisions. Not only does the agreement of the I.L.G.W.U. stand out among those of the wearing-apparel industries because of its legalistic nature, but with the possible exception of those of the Musicians' Union, it stands out in this respect from all the other agreements reviewed in this study. That it has quite obviously been drawn with the intent of

making it legally enforceable, as a contract, is clearly attested by several of its provisions. The first of these is unique in the union agreements of the city in the extent to which it gives express recognition to the legal doctrine of consideration.³¹ Moreover, the Chicago Joint Board is explicitly indicated as the agent for the various local unions as well as for their individual members. A court would, therefore, find little difficulty in creating legal rights in the members of the unions under this agreement if it were called upon to do so. Security is given to the local unions under the agreements with the independent firms (not members of the Chicago Cloak and Suit Manufacturers' Association) by the section which provides for the posting of a cash bond and its forfeiture in the event of breach by the employer. Moreover:

This provision for liquidated damages accrues only to the benefit of the union and is not to be construed as preventing any individual employee under this agreement from enforcing any legal remedy that he may have by reason of the breach of this agreement.

³¹The exact wording of this provision is as follows: "In consideration of the sum of One (\$1.00) Dollar, the receipt for which is hereby acknowledged, and in consideration of the premises and the mutual promises hereinafter set forth, and for other good and valuable consideration passing between the parties, said parties hereto, hereby agree to and with each other as follows:...."

The use of the expressions "consideration" and "exchange of promises" is common in other union agreements here studied, but none of the unions has felt the need of relying upon an old letter of the law to the extent of indicating a nominal monetary consideration.

As far as can be learned, the enforceability of the Chicago agreement has never been tested, but decisions are available which have given at least limited recognition to the employer's duties arising under the agreement of the New York local unions of the I.L.G.W.U. See Schlesinger v. Quinto, 192 N. Y. Suppl. 564 (1922), and Maisel v. Sigman, 205 N. Y. Suppl. 820 (1924). That the agreements in Chicago have tended to follow those made in New York is clear. Magee, *op. cit.*, chap. ix. For a copy of one of the recent agreements in New York see U.S. Bureau of Labor Statistics, Bull. 468, pp. 77 ff.

To the extent that the New York agreement is similar to the one in the Chicago market, the decisions cited from New York State may merely mean that it is possible for a union in that state to make an agreement in the form of a contract, rather than that the union working agreement in its general form is treated as a contract and enforceable by the courts.

A violation by the employer of any of the provisions herein is to be deemed a wrongful discharge of the employees.³²

No such technical legal devices are incorporated in the document setting forth the working conditions observed in the men's garment industry.³³ It is true that this agreement sets up its own machinery to supervise its operation and to insure the observance of its terms. But neither the Trade Board nor the Board of Arbitration of the Chicago Men's clothing market can be fairly compared with courts of law. The agreement creating these institutions is drawn in such terms as to indicate explicitly that the powers vested in them are for the purpose of maintaining the successful operation of the agreement rather than for punishment in the event of breach. The distinction is one which is difficult to appreciate without a full reading of the text of both the agreements, after which the impression is definite that the one is written in such terms as to reflect the fear that it may be broken; the other, the expectation that it will be observed.

The A.C.W. agreement very evidently does not assume, even with respect to the matters accorded general treatment, that the details or application of general principles are self-evident. An indication of the intention that there shall be flexibility in the meeting of concrete problems as they arise is included in the section which gives recognition to the principle that "in case workers are changed from piece to hour work, the hour rates for such workers shall be based on their earnings on piece work." After giving

³²Sec. 16. The amount of the bond to be posted with the union is left blank in the standard form, and is dependent upon the size of the employer's shop, the amount varying from \$100 to \$500 (Magee, *op.cit.*, pp. 247-48).

³³In a study having a scope such as that of the present undertaking, it is not presumed that full justice can be given to all the details or the operation of an agreement such as that of the A.C.W. A considerable amount of literature exists on the subject, most of which is readily available. Perhaps the best unbiased analysis is to be found in Francis J. Haas, Shop Collective Bargaining (Catholic University of America, 1922).

some explicit instructions as to the application of this principle, the section proceeds: "The intention of this provision is not to institute a rigid rule, but to provide a general working scheme to afford speedy and satisfactory action for cases as they arise, and if it is found not to result in substantial justice in every case, it is expected that such cases shall be submitted to the Trade Board." Better than any other specific section of the agreement, with the possible exception of the preamble, this section anticipates the adjustments which the actual continued functioning of collective bargaining requires.

The limits of the paragraphs immediately preceding should be made explicit. The unions in the men's and women's garment industry recognize the principle of arbitration in common with other unions already observed in the wearing-apparel industries. But the Ladies Garment Workers' Union attempts to define more precisely the terms of employment and leaves the impartial umpire with narrower discretionary powers than does the Amalgamated. There is less difference between the structure of the machinery created by the two organizations for the adjustment of disputes arising during the life of the agreement than in the powers accorded to the arbitration bodies and their manner of functioning. For both organizations an initial effort at settlement of disputes is to be made by representatives of the unions and by the manufacturers involved. Should these individuals fail to agree, the dispute is carried, in the case of the Ladies' Garment Workers, to an organization known as a Labor Board,³⁴ consisting of representatives of the parties and an impartial umpire; and in the case of the Amalgamated, to the Trade Board,³⁵ which is a somewhat misleading term, since

³⁴For development of arbitration in ladies' garment industry, 1915-26, see Magee, op.cit., chap. x.

³⁵Clothing Workers of Chicago, pp. 190 ff. Attention should be called to the fact that the Hart Schaffner & Marx Co. has continued to maintain its own separate Trade Board since the Trade Board for the market was created in 1919.

the "Board" consists of only an impartial chairman. It is his duty to "represent the mutual interests of both parties--and especially the interests of the successful working" of the agreement. Courts of last resort in the form of Boards of Arbitration have been discontinued as permanent institutions in both industries. The functioning of the Trade Board is continuous, and it is frankly recognized that the settlement by an impartial arbitrator of numerous petty grievances may avoid disturbances of a more serious character. For the Ladies' Garment Workers, however, the intervention of the umpire is regarded as desirable only in cases of emergency.

It should not be assumed that the analysis here set forth supports the interpretation that the other trade agreements in the clothing industry or in other Chicago industries are all inflexible. The position here taken, as will be made clear later, is that while other agreements have been more or less successfully adapted to changing conditions, factors operating within the men's clothing industry have been such as to create an agreement and machinery for its interpretation which have been more comprehensive and flexible than the rest. This position may be seen more distinctly when attention is given to the treatment of the submanufacturing problem in the agreement of the Ladies' Garment Workers. This problem has been among the most vexing ones confronting the union.³⁶ As a means of controlling the practice of the contracting out of work, the 1930 agreement provided that manufacturers using contractors and (or) working for jobbers and the contractors themselves were to be registered with the union. The employers further promised that contractors who failed to meet the union standards were not to be permitted to work for them, and also under the agreement the employing manufacturer guaranteed the maintenance of standards

³⁶Magee, op. cit., chap. ix.

as well as the payment of wages due to union members by the contractors working for him. It is not at all improbable that the fact that the union has found it necessary to meet the problem of contracting in this way has also influenced the general character of the entire agreement. While the practice of contracting does exist in the men's clothing industry, it is not of great importance in the Chicago market. It is significant that in New York, where the practice of contracting, even in the men's clothing industry, is still pervasive, provisions similar to those included in the Chicago agreement of the Ladies' Garment Workers are incorporated in that of the A.C.W. of A.³⁷ Further consideration as to the influence of contracting in the Chicago market will be given in later sections.

The preceding discussion has not taken into account the working conditions established by collective action in the cleaning and dyeing industry. Although the Cleaners', Dyers', and Pressers' Union in its 1929 form had been organized for but ten years, it had grown very powerful.³⁸ The construction of a large cleaning plant under union control and a threat on the part of the officials of the organization that the union would enter into competition with

³⁷See U.S. Bureau of Labor Statistics, Bull. 468, pp. 82-83.

³⁸Nine hundred members were taken into the organization within the short space of eight weeks at its inception in 1919. A short lockout occurred, following which the employers agreed to recognize the union, but refused to take back most of the foreign-born workers (New Majority, August 9, 1919, p. 15; September 13, 1919, p. 19). The statement has been made that the present organization, Federal Union 17742, which replaced an older organization formerly affiliated with the Journeymen Tailors, was formed through the initiative of a former representative of the employers' association, who has since become an official of the union. Only circumstantial evidence has been found in support of this claim. See statement by Morris Becker, of the Becker Cleaning System, in Chicago Tribune, November 2, 1929; also Tailor, December 22, 1925, p. 1. For a somewhat biased account of the activities of this union in its relations with the Master Cleaners' and Dyers' Association, see Hostetter and Beesley, It's a Racket (Les Quin, 1929), pp. 30 ff.

the employers were the immediate causes of the lockout precipitated toward the close of 1929. A final settlement of the issues in the lockout was obtained after the union agreed to abandon its competitive venture following the appointment of an impartial chairman. The basic principles of the 1930 agreement were incorporated in the first decision of the impartial chairman.

Previous to the dispute resulting in the arbitration hearings, the union had operated under a closed-shop agreement fixing standard-time wage rates supplemented by contributions by the employers of 2 per cent of the weekly pay-roll to an employment-insurance fund. Under this agreement the workers were guaranteed seven months of full-time employment during the year. In the arbitration hearings the employers requested a 10 per cent reduction in wage rates, the introduction of a piecework system, elimination of the unemployment-insurance system, abolition of the seven months' guaranty, and a probation period of four instead of two weeks, which had been in effect for new employees under the old agreement. The decision of the arbitrator denied the first of the employers' requests by re-establishing the 1928 wage rates for 1930 and offered a compromise on the second request in the form of creation of production standards while retaining hourly rates of pay. Because the guaranty of seven months' employment was found to be a severe burden upon the industry, this was abolished, but the employers were required to continue their contributions to the unemployment-insurance fund, and it was recommended that the union consider matching this amount, at an early date. The concession of a four weeks' probation period until stability had been achieved in the industry was granted, with the condition that this was not to be regarded as license to discriminate against union workers even during the

first four weeks of employment.³⁹

The wage rates of 1928, ranging from \$16 per week for unskilled workers to \$60 per week for fancy-goods spotters, as well as the other provisions of the award were to become effective March 17, 1930. In accordance with the suggestion regarding the substitute for piecework, a committee investigated conditions in various plants and fixed standards of output for each of the processes, which were designed to make possible the maintenance of the hourly wage scales. Competitive conditions, however, subsequently demonstrated that even these were insufficient to bring about revival in the local industry, and a system of piecework was accordingly introduced by agreement.⁴⁰ For a time, then, this industry takes its place alongside of the most of the other wearing-apparel industries of the city in operating on a piecework basis.

The impartial chairman appointed under the agreement between the Cleaners', Dyers', and Pressers' Union and the Master Cleaners' Association is given broad powers. He is authorized to advise the parties "on all matters affecting the cleaning and dyeing industry; in all matters relating to wages and working conditions under this agreement and in all other matters which may be submitted, the decision of the impartial chairman shall be final and binding as affecting all parties." While this general provision goes a long way in granting authority to the impartial chairman, the exact nature of his powers are more clearly defined in the supplementary agreement made between the chairman and the individual employers.

This supplementary agreement, although not a "trade agreement"

³⁹Monthly Labor Review, January, 1930, p. 96; May, 1930, p. 122; March, 1930, p. 15; Chicago Tribune, March 15, 1930; Chicago Daily News, May 2, 1930.

⁴⁰For the information regarding the changes subsequent to the award, the writer is indebted to Dr. B. M. Squires of the Trade Board of the Chicago Men's clothing industry, who has served as arbitrator for the parties.

in the sense that one of the parties to it is a union, forms such an integral part of the system of joint control in effect in the industry that it must be considered along with the trade agreement proper. So far as can be determined, the agreement is unique in the Chicago labor market. Other systems of joint control over industry are supported by conditions very similar to those affecting the cleaning and dyeing industry, but none of them resorts to a device of the character of this supplementary agreement. This agreement is drawn in the form of a technical contract, and, assuming that it is not void on grounds of being in violation of public policy, there is little doubt as to its enforceability at law.

Under its terms the proprietor of the individual cleaning establishment appoints the impartial chairman as "general sales manager" for his business. This appointment carries with it full power to direct sales, "including the right to hire and discharge all employees who are connected with the selling of the services rendered by the cleaner...., the right to fix and determine from time to time the schedule of prices to be charged by the cleaner, and authority to designate a submanager...., which submanager shall have such right, power, and authority as the manager may designate and confer upon him." Attached to the agreement was a schedule of prices to be charged on all work received from within the state, which may be supplemented or amended from time to time. "The cleaner agrees that no rebates, refunds, or other deductions shall be allowed to any customers." In the event that the submanager or the cleaners at any time during which the agreement is in force "fails to observe or carry out any of the orders or directions of the manager, or fails to follow the said schedule of prices or fails to carry out any of the other terms or provisions, then the manager may and shall take over the active direc-

tion and control of all sales." In order to facilitate the taking over of active control by the manager in the event of breach of any of the provisions of the agreement, the submanager deposits his resignation with the manager at the time the agreement is signed. By these provisions an additional element of stability is injected into the price structure of the industry.

This description of the terms of employment as established by collective action cannot be concluded without a brief statement regarding the devices created for dealing with the problem of unemployment. The problem has been a peculiarly vexing one in all the allied apparel industries because of their seasonal character. Several of the Chicago unions have attempted to find a partial solution in systems of unemployment insurance. In addition to the system in the cleaning and dyeing industry, only one of these plans remained in effect in 1929.⁴¹

The unemployment-insurance scheme in the men's clothing industry was the first of these plans to be introduced in Chicago. Its essential features remain as arranged in 1923 save for the increase in the employers' contribution agreed upon in 1928. Several changes in the benefits have been made from time to time as required or permitted by the fund. As functioning in 1929, the plan called for contributions to the fund of 1.5 per cent of wages from the workers and twice this amount from the employers. Benefits are provided workers who have been regular contributors to the fund for one year. Benefits for complete involuntary unemployment are fixed at 30 per cent of the full-time weekly wages of the employee, but in no case may such full-time unemployment benefit exceed \$20

⁴¹Both the I.L.G.W.U. and the Cap Makers, as well as the Amalgamated Clothing Workers, have had unemployment-insurance plans in operation in Chicago for brief periods. See Handbook of Labor Statistics (1929); U.S. Bureau of Labor Statistics, Bull. 491, pp. 701 ff.

per week. Seven and one-half such full weekly benefits represent the maximum amount that any worker may draw from the fund during a year. A waiting period of one week (forty-four hours in case of short-time workers, but forty hours per week is considered full-time employment for the purpose of administering the unemployment fund) is required before workers become eligible for benefits. Permission is granted to both the workers and the employers to cease making contributions to the fund when it contains an amount equal to twice the maximum benefits that may be due to the workers of any particular company during a single year.

A distinguishing feature of the insurance plan lies in its administration. This is in the hands of a separate Board of Trustees for each individual employing establishment except for the contractors, and contributions to any house fund can be used only to pay benefits to workers within the establishment. The plan is therefore analogous to a "reserve fund" system, and it is somewhat misleading to use the term "insurance" in connection with it. Only for the contractors, who employ a relatively small proportion of the total number of workers, is the insurance principle of distribution of risks throughout the group relied upon.⁴²

Because of the general recognition of the piece-rate system of wage payment throughout all the allied wearing-apparel industries of the city, the discussion of wage levels established by collective action is treated from the standpoint of earnings in the next section of this chapter.

III. Operation of the Agreements

A feature which distinguishes the union agreements in the al-

⁴²The most complete outline of the insurance plan is contained in Senate Report 2072. A succinct statement of the essentials of the plan will be found in a letter from Dr. Squires published on p.256 of this report.

lied clothing industries is the extent to which payment on a piece-rate basis is recognized. In no other group of unionized industries of the city will piece rates be found to be the general rather than the exceptional method of wage payment. Only two organizations, the Fur Workers and the Journeymen Tailors, of the entire group of clothing-trades unions continued to adhere to an hourly method of wage payment at the close of 1930. Since 1926 the minimum full-time weekly scales for the first of these two organizations have ranged from \$28.50 for Class B finishers to \$50.00 for Class A cutters,⁴³ and those for the tailors have been fixed at \$25.52 for helpers, \$41.00 for bushelmen, and \$44.00 for journeymen custom tailors.⁴⁴ In comparing these scales it must be borne in mind that the Fur Workers have a forty-hour week during seven months of the year without reduction in pay, and consequently the differential between the scales of the two organizations is wider than might at first be observed.

Until 1931 both the Cleaners and Dyers and the Ladies' Garment Workers have adhered to a time-rate method of payment. The old weekly scale (effective 1926-29 and extended through 1930) of the Ladies' Garment Workers in the cloak and suit shops, together with figures indicating the earnings which these rates would have yielded on the basis of thirty-four weeks of full-time employment for a year, was as tabulated:⁴⁵

⁴³The Fur Workers' Union divided workers in each of the four departments into two groups; the classification of any workman is determined "by his skill, efficiency, and period of service in his branch of the trade." The complete 1930 scale follows: Cutters, first group, \$50.00; second group, \$44.00; Finishers, first group, \$35.00, second group, \$28.50; Nailers, first group, \$37.00, second group, \$33.50; Operators, first group, \$45.00, second group, \$35.00.

⁴⁴The scale given above for the tailors was in effect from 1923 to 1931. Although the union did not concede the demands of the employers for piecework in November, 1931, it appears to have been only partially successful in its defense of the time wage (see *supra*, n. 9).

⁴⁵Thirty-four weeks was the figure considered as full-time employment for the purpose of administering the unemployment-insurance fund during its operation in 1925 and 1926.

	Weekly	(34 Weeks) Yearly Earnings
Cutters, operators, and offpressers...	\$52.50	\$1,784.00
Underpressers.....	49.00	1,666.00
Trimmers.....	47.00	1,615.00
Finishers and tailors.....	38.00	1,292.00
Class B basters, arrowhead makers, and fellers.....	33.00	1,122.00
Button sewers and skirt finishers.....	27.00	918.00

The exception to the general statement that all the other organizations worked under piece rates applied only in the case of the cutters and trimmers affiliated with the United Garment Workers and the Amalgamated Clothing Workers. For the members of this trade who are affiliated with the A.C.W., standards of production have been effective since 1921, and cutters receive weekly wages based upon the extent to which they measure up to these standards.

Particularly in the special-order houses, but also to a lesser extent in the ready-made clothing establishments, the standards originally fixed on the basis of actual production in each establishment have been revised upward, so that the base effective since 1928 has represented more production than the old, and the spread for the differential rates above and below the base has been changed for the entire market. Since 1928, 98-102 per cent of the standard fixed in each plant has been regarded as "normal" or basic production for cutters and trimmers. For production falling within this range, cutters received in 1930 \$50 per week and trimmers \$44 per week. Differentials of \$2.00 per week for each variation of 6 per cent in production were effective above and below the basic rates. The small group of cutters in Locals 21 and 180 of the U.G.W. worked under weekly scales in 1930 of \$48 and \$40, respectively.⁴⁶

⁴⁶Local 21 is composed exclusively of cutters and Local 180 has about 20 members who are cutters. For the A.C.W. the details as to the old and new rates, depending upon how actual production compared with standards fixed, are as follows:

(note continued on next page)

Although detailed data as to piece rates for the various groups of workers has not been gathered, some estimates as to how these rates translated themselves into earnings are available. The Hatters, a small but long-organized group, reported individual annual earnings ranging from \$1,120 to \$1,626 for women trimmers (members of Local 20) and from \$1,767 to \$2,188 for male finishers in 1928.⁴⁷

The Boot and Shoe Workers' officials state that the average full-time weekly earnings for members of the union ranged from \$21 to \$45 and that there was a very slight burden of unemployment in 1929.⁴⁸ If one assumes forty-five weeks of full employment, such weekly wages would bring in annual earnings of from \$1,005 to \$2,025.

Effective 1921	Effective 1928
115 per cent or more.....\$49	114 to 120 per cent.....\$56
105 to 115 per cent..... 47	108 to 114 per cent..... 54
95 to 105 per cent..... 45	102 to 108 per cent..... 50
85 to 95 per cent..... 43	98 to 102 per cent..... 52
Below 85 per cent..... 41	92 to 98 per cent..... 48
	86 to 92 per cent..... 46
	80 to 86 per cent..... 44

For workers whose actual production does not fall within any of the foregoing classifications, the rate is fixed by special agreement between representatives of the union and the employer or by appeal to the Trade Board in case of failure to reach an agreement. In comparing the foregoing rate schedules it should be emphasized that neither are the standards uniform for all houses throughout the market nor are the standards in many cases the same.

⁴⁷The data on the Hatters furnished through the courtesy of an official of Locals 9 and 20. The figures were taken directly from the monthly reports of the highest- and lowest-paid male and female workers. Since the members of this organization are required to pay dues based directly on earnings (2 per cent of earnings for the women and 3 per cent for the men) and the shop stewards are required to report the monthly earnings of every member, the result is that an accurate record of earnings is filed with the secretary.

⁴⁸Interview with an official of the Boot and Shoe Workers' Union. The union reports that although the shoe industry has suffered in common with the other industries during 1930, in a normal year the members will get fifty weeks of full employment. The bill of prices of the company and the union is "said to be based on an even flow of work and regular employment." Decision in the arbitration case of the Levie Shoe Co. v. B. & S.W.U., July 22, 1922. A copy of this decision was furnished the writer through the courtesy of Dr. B. M. Squires.

For the men's clothing industry the record of annual earnings and hours is available in some detail, because of the operation of the unemployment-insurance plan. A summary of the average hours worked and earnings over the two-year period ending November 1, 1926, indicates the manner in which piece rates translate themselves into earnings. Information as to the number of workers employed in each of the sections of the industry is included in the accompanying table, as an aid to later analysis as well as for the purpose of shedding light on the relative importance of the figures on earnings.⁴⁹

	Numbers Em- ployed, Peak Weeks, 1926	Average Hours Worked	Average Annual Income
Ready-made clothing houses.....	11,802	1,497	\$1,308
Special-order tailor shops.....	4,696	1,517	1,423
Sponging establishments.....	67	1,824	1,825
Cut, trim, and make houses.....	597	1,487	1,437
Contractors.....	3,313	1,139	833
Market.....	19,699	1,508	1,331

Such are the earnings forthcoming under the terms of collective bargaining for the members of the more important unions in the clothing industries. It must be borne in mind in the case of the workers under the jurisdiction of the A.C.W. that these earnings are supplemented by benefits from the unemployment-insurance fund. The importance of these benefits and the operation of the agreement for unemployment insurance will be examined later.

⁴⁹Data with only some slight rearrangement taken from the work of the Industrial Relations Counselors, already cited in Senate Report 2072, pp. 396-97. Data on hours and wages are for 1926 and are based on reports from six ready-made and ten special-order houses. The figure for the number employed in the union houses of the market in the peak week of 1926 is not the sum of the figures given for the individual branches of the industry, since peak employment comes at different times in the various sections. The correspondence between the figure of peak employment in the union houses and that reported by the census (19,494) for the average number employed in the industry in 1927 is worth noticing since it tends to corroborate the claim of complete organization of the market.

Closely related to the practice of payment on a piecework basis is the fact that as collective bargaining in the clothing industries functions it resembles a system of shop committees superimposed upon an organization for the market. This is more obviously true in the case of the Shoe Workers and of Local 33 of the United Garment Workers, for the reason that the members of each of these unions are largely concentrated in the shop of one single employer. Local 33 has had a continuous agreement with the Ottenheimer Company since 1903, and while a few members of this small organization are employed in other shops, the Ottenheimer agreement sets the standard.⁵⁰ Similarly, the Boot and Shoe Workers have maintained closed-shop relations with the Florsheim Shoe Company since 1919. Although prior to 1926 the union had agreements with other employers, the Florsheim agreement was the only one remaining effective in 1930. Even prior to 1926, when one other shoe company in the city worked under a union agreement, there were separate piece price lists for each of the union factories.⁵¹ Disputes over fixing of rates, although handled by union representatives, were in a sense limited to the employees of the individual firm involved.

Similarly, the Amalgamated Clothing Workers, although having jurisdiction at one time over four hundred individual establishments, has always attempted, and with a considerable degree of success, to adjust piece rates to the conditions of each individual establishment. The mechanism of the wage determination of the men's clothing industry requires for its understanding a brief outline

⁵⁰Interview with an official of Local 33, June 2, 1930.

⁵¹This must not be construed as meaning that the price lists were unrelated. E.g., in the arbitration case of the Levie Shoe Company v. The Union, the firm requested "a departure from the present price list, which it feels is unbalanced, and an adoption of the Florsheim price list as a basing point. From the Florsheim price list the firm asks a reduction of 12.5 per cent."

of its evolution. An important fact in this interpretation is the origin of the plan at Hart Schaffner & Marx. The market machinery of 1930 grew directly out of the system of collective dealing which was in force for nine years in the largest men's clothing factory in the city before the market was organized in 1919. Wage increases secured in this establishment during this period tended to become effective throughout the market, in spite of the fact that the other employers did not recognize the union.⁵² By this process of interaction, unionism in one company tended to influence the general level of wages for the market. Within a year after the union had gained extensive recognition, the first of "the great wage arbitrations" took place, and by virtue of the decision, increases were granted ranging from 5 per cent for the workers whose average earnings were \$50 or more per week to 20 per cent for workers with average earnings of \$30 or less. Supplementary to these increases provision was made for increasing the earnings of special groups in isolated cases, whose pay still remained below the new market levels. By the use of the so-called "leveling commission," the existing rate structure of the market was tampered with at points where wages were unusually low, and later at points where unjustifiable peaks were found, until the principle of "equal pay for equal effort" was generally recognized.⁵³ With this general level in the market rate structure accepted, no changes can take place except by a new agreement between the parties or in conformity with

⁵²The fact that the A.C.W. was not organized until 1914 and that the employees of Hart Schaffner & Marx Co. prior to that time were members of the U.G.W. should be recorded, but does not affect the interpretation (see Clothing Workers of Chicago, pp.17-94, 127-33).

⁵³The decision providing for the increase referred to and the adjustment of the rates in the poorly paid sections was awarded December 15, 1919 (ibid., pp. 138-39). The commission which had charge of the removal of the "peaks" functioned following the arbitration decision, which ordered a downward revision of the wage structure in conformity with changed business conditions in April, 1921 (ibid., pp. 182-88, 155-56).

the so-called Emergency Clause, in which case the Board of Arbitration may make general changes. With the establishment of this general level, the practical question becomes one concerning the manner in which this level is maintained in an industry where styles, materials, and processes are changing from day to day and from season to season. The mechanism by which such required adjustments are made is as follows: Each house in the market is assigned a special union deputy, who acts as a price expert and represents the workers in negotiations with the employer representative when a new type of garment or process of manufacture is to be introduced in the house or group of houses under his jurisdiction. If an agreement is reached, specifications of the job and statement of the wages agreed upon are signed by the representatives of the parties. If, however, the rate is disputed, the case is then referred to the chairman of the Trade Board for a decision. He in turn acts in something of a dual capacity of arbitrator and conciliator. If by review of the facts and discussion of issues the Trade Board succeeds in bringing the representatives of the parties close together, so that they may finally reach an agreement for themselves, this is the course of action which a reading of the decisions of the Board will indicate is considered desirable. If after attempting this the Trade Board finds settlement by agreement is impossible, the chairman, after making an analysis of the job, fixes upon the final rates.

The principle upon which all of the negotiations regarding the adjustment of piece rates discussed above proceeds is that the new rates must "maintain earnings." Hence there is a tendency for the market level of wages to be maintained even though the specific piece rates may change considerably. In this manner the agreement in the men's clothing industry permits of wide variations in

manufacturing methods from shop to shop and allows for flexibility, while protecting the workers' standard of earnings throughout the market. This is "shop collective bargaining" combined with unionism.⁵⁴

The attitude of the employers toward this feature of the agreement is indicated in the manufacturers' brief submitted in the arbitration case of 1921. It will be remembered that this case occurred only a scant two years after the organization of the market, and ten years after collective bargaining had become established at Hart Schaffner & Marx. Yet in this case the employers took occasion to state:

Collective agreements have usually been thought of in the past as instruments by which the status of industrial relations in the trade or industry was fixed for a period of time. Their great weakness has been their lack of elasticity. Fortunately our agreement represents not only a status, but a process; it is a going concern; it provides its own means of continuous adjustment.⁵⁵

Now it must be obvious from the foregoing that the administration of a system of collective dealing in an industry where piece-work prevails is considerably more difficult than where the simple time wage is acceptable to both parties. Numerous factors help to account for this. First of all the mere physical task of supervising a complicated system of rates varying from one shop to another and continuously changing with the introduction of new patterns is an extremely arduous one. Even for an organization having the full approval of the employers the task is not easy, but when it is undertaken by officials representing interests with which employers must be more or less out of sympathy, the burden of securing and maintaining the co-operation of employers is added to an already difficult task. On the other hand, the problem of maintaining the faith of the workers in the system is not simple. Tra-

⁵⁴See Haas, op. cit., esp. chap. v, pp. 81 ff.

⁵⁵Quoted in ibid., p. 75.

ditionally, workers are likely to think in terms of a system of unregulated piece rates under the exclusive administration of employers and will be suspicious that their own representative who agrees to the piecework system may betray them. Therefore, unless unionism in piecework industries is to degenerate into an instrument of the employers, supervision from an impartial source in which both parties may have confidence is called for. It is not likely that such impartial supervision could be introduced except in most favorable times. Hence, the fact that the permanent system of arbitration of the men's clothing industry was introduced during a movement of generally rising wage rates, and therefore that time was given for both parties to acquire the confidence so essential to its existence, may have had much to do with its later success and continuation.

So important has been the question of piecework that it has been one of the dominating issues in the major disputes of the wearing-apparel industries of the last few years. In none of the individual industries does the employer have the protection of power machinery to determine the pace at which work shall go on. Moreover, where contracting is used it is paid for by the garment or by the process, and the contractors to assure themselves of their own profits quite naturally prefer wage rates which automatically translate themselves into labor cost. Hence employers who may be disposed to accept time-rate systems of wage payment in periods of labor shortage and rising prices will be found insisting upon piecework rates as competition increases and prices fall. So the cloak manufacturers, although forced to accept week work as the result of a short strike in 1919, were willing to undergo another strike in 1922 in an effort to return to piecework.⁵⁶ Al-

⁵⁶Letter from an official of the Chicago Joint Board, I.L.G.W.U

though they were unsuccessful in the effort to procure recognition of the "payment by result" system in the collective agreement of 1922, this has not meant that there has been a complete concession to union demands.

There is no doubt that "bootlegging" has been practiced to some extent in Chicago as well as New York, and the reason for this secret piece of work is to enable the concern to compete. Unless the union is strong enough, conscientious and hardworking enough (and it might be added fortunate enough) to maintain its established standards throughout the industry,--and throughout the entire industry of those centers large enough to influence the national market--the strict enforcement of the week-work system on some of the factories is merely forcing those firms out of the running.⁵⁷

On the same issue, at the time of the termination of the agreement, which was in December, 1930, the concession of the return to piece-work on the part of the union was necessary to prevent the lockout which seemed imminent in November.⁵⁸

The Cap Makers' failure to make a similar concession was one of the main causes leading to the lockout of 1928 which ended the system of collective dealing then in effect. Apparently the manufacturers could not even endure the week-work system until the termination of the agreement.⁵⁹

In view of the experiences in some of the industries, especially ladies' garment, cap, and millinery, which have led to complaints by the employers that the unions have supported practices which have restricted output and increased costs, it may seem paradoxical that in the manufacture of men's clothing and shoes no such charges are common. In the case of the Boot and Shoe Workers there has never been any question of abandoning the piece-rate system nor do the employers make any charges of limitation of output.⁶⁰

⁵⁷Magee, *op.cit.*, p. 217. Italicized portion mine.

⁵⁸Interview with an employer representative.

⁵⁹This agreement has not been available to the writer, but it is reported from union sources that the expiration date was not until June 1, 1929, more than eighteen months after the lockout occurred.

⁶⁰Interview with an officer of the Florsheim Shoe Co., November 24, 1930.

In part this is due to the singular position of the union, functioning as it does as a shop-representation plan for the employees of a single company. The employer has retained complete control over hiring and firing of men, and while the union may protest the dismissal of a man if discrimination is evident, no such case has been reported either by representatives of the company or by the union. As far as can be determined, the chief benefit of the union from the viewpoint of the workers is to prevent cutting of piece rates and to give assurance that new rates will be established in accordance with the principle of "equal pay for equal effort." Hence, although the union recognized the right of the employer to make changes and to introduce new machinery in the interest of economy, in a recent arbitration case the union protested the right of the employer to make a downward revision of the piece rates after certain changes in the cutting-room had been made which the firm contended made the work more convenient for the men. When the case was first heard, issues regarding the piece rates of other workers were decided, but the chairman deferred settlement of the question of revision of the rates in the cutting-room until the reorganization which had been begun was completed. Some months later the final decision was rendered. Although it was thought that the changes were an improvement and it was reasonable to suppose that an increase in production would result, the decisive factor was the admitted "fact that earnings have not increased since the changes were made." The arbitrator, since no other exact measure of the importance of these changes was available, ruled against the firm and held that the old rates should be retained.⁶¹

In this manner the arbitration agreement of the Boot and Shoe Workers' Union has functioned to protect the worker's earnings,

⁶¹The first of the decisions mentioned above was rendered October 19, 1925, and the second, February 11, 1926.

but it is not justifiable to assume that the result has been to place the firm at a competitive disadvantage. Although it is understood that in the midsummer of 1930 the firm asked for a general reduction of 10 per cent in the bill of prices which was not due to expire until the spring of 1931, no threat was made that serious consequences would result if the union failed to make this concession, and it was made explicit that "no violation of the agreement was contemplated."⁶² A representative of the employing company told the writer that although wage rates as fixed under the agreement were less elastic than those which might prevail in the absence of collective bargaining, there was no basis for the contention that the wage level when considered over a period of several years was any higher than that which an open market would establish.⁶³ Further evidence that the agreement permitted adjustment to changing competitive conditions in the national market, although perhaps tardily as to both increases and decreases, is contained in the reasons given by the arbitrator for a downward revision of the price list for upper leather cutting in the decision of October, 1925.

1. The shoe industry generally has undergone a greater reduction in upper leather cutting rates than has been afforded in the Florsheim Company.

2. Weekly earnings of cutters employed by the Florsheim Shoe Company are considerably in excess of average weekly earnings of cutters employed elsewhere.

3. The reduction arrived at in 1922 by agreement has been restored in part, the restoration amounting to approximately 5 per cent, whereas in other centers selected for comparison, rates of wages are at the 1922 level or below it.

All the available evidence therefore indicates that collective bargaining in the shoe industry as it existed in Chicago in 1930

⁶²Interview with union official. By arbitration in 1931 reductions of from 12 to 25 per cent were made in the basic piece rates of the local Shoeworkers (see Federation News, June 20, 1931, p. 4).

⁶³Interview with officer of the Florsheim Shoe Co.

placed no undue burden upon this limited section of the industry.⁶⁴

In the manufacture of men's clothing, the union has taken pride in the claim that it has aided to increase the efficiency of the industry. The claim is of sufficient importance to merit some detailed consideration. In this connection the statement of an employer representative made with reference to the operation of the unemployment-insurance system is of some significance. He states:

The unemployment fund has had very little effect upon the efficiency of the workers because that is thoroughly well taken care of by our labor agreement itself. The efficiency of our labor is directly due to the wage policy,....which prevents turnover, and the co-operation of the union.⁶⁵

From other employer sources also there is forthcoming the recognition that the union is entitled to considerable credit for increasing the productivity of the industry.⁶⁶

Since the union has maintained a high degree of control over the market in the period following 1920, some evidence in support of its claim of having favorably influenced production may be found in the figures of the Census of Manufactures. The value of product per wage-earner in the men's clothing industry of Chicago rose from \$5,856 in 1923 to \$6,233 in 1929. If these figures and those for the intervening years are corrected by the use of a price index for clothing, it appears that the average productivity of the worker remained about constant between 1923 and 1925, rose sharply from 1925 to 1927, and rose again between 1927 and 1929, so that in the

⁶⁴From union sources it has been reported to the writer that the direct labor cost in the four union factories of the city (one company) has been reduced from about \$1.50 to \$1.35 per pair during the period since 1922.

⁶⁵Letter from Mr. Earl D. Howard, labor manager of the Hart Schaffner & Marx Company to Senator James Couzens (see Senate Report, 2072, p. 257).

⁶⁶Interview with officer of the house of Kuppenheimer, November 19, 1930; also interview with an official of the Chicago Industrial Federation of Clothing Manufacturers. Also see testimony of Professor Commons in Senate Report 2072, particularly pp. 240-41.

latter year it was 21 per cent above the 1923 level.⁶⁷

Certain qualifications must be considered in interpreting these figures. In the first place, it is known that there has been a considerable change in the type of clothing manufactured in the Chicago market. While Chicago still is to be considered a "quality" market as compared with New York for instance, nevertheless, in the years since 1921 it has turned to the production of lower-quality clothing than it formerly produced. Many of the very changes sponsored and aided by the union have been concerned with making this transition. The use of the figures on value of product to indicate the productivity of the workers, even when corrected by a price index, may not take full account of this change in the quality of the product.

In the testing of the union claim by the use of these figures, the other pitfall which must be guarded against is the familiar post hoc, propter hoc error. Even though an increase in production has taken place during the years of the existence of union control in the market, it does not follow that such a change would have been impossible without the union. It is not likely, on the other hand, that employer representatives would tend to give the union credit for the results which might be attributed to management. It is fair to assume, therefore, that some increase in productivity has taken place, and that the union is entitled to a share in the credit for this improvement. Exactly how much this improvement has been and how much of the credit should go to the administration of the union it would be vain to attempt to state on the basis of the available information.

⁶⁷It should be noted that during this period of generally falling prices the correction of the figures by means of the use of the Bureau of Labor Statistics index for retail clothing prices in Chicago as is done here, may not measure the full amount of the increase of productivity that has taken place. This method is used because it gives a conservative result.

It is relevant to inquire into the manner in which the union may have influenced the productivity of the industry, and this inquiry also discloses a condition which must be attached to the conclusion set forth above. One of the less obvious ways in which the union has been of benefit to the industry is in the operation of the employment office for the market. Quite aside from the question of the desirable effect of a central office with detailed information regarding all the workers in the industry upon the problem of unemployment, the maintenance of an efficient employment office has without doubt had some indirect influence upon employers' costs. To the extent that the employer can feel confidence in the ability of the union to furnish competent men, he is free to devote his own attention to other matters. The gain, of course, comes only when there is an avoidance of duplication and when the union can perform the task more effectively than it would otherwise be done. If but half of the men's clothing industry were willing to recognize the union, it would be incumbent upon the open-shop group to maintain their own facilities for contact with the labor market.

Another possible source of improved efficiency for which the union may be in part responsible is the extension of piecework. Writing in 1922, shortly after the organization of the Chicago market, Haas reported that 85 per cent of the production exclusive of cutting was paid for on a piecework basis. By 1926, 89 per cent of the total working force of the Chicago men's clothing industry were paid by the piece, and if cutters are excluded from the calculation, only 2 per cent of the workers remained on a time rate. During the period of union control, Chicago has evidently become a piecework market, except for the cutting-rooms and trimming-rooms.⁶⁸

⁶⁸Haas, op.cit., p.98; U.S.Bureau of Labor Statistics, Bull. 435, p. 29.

On the more specific ways in which the union has been instrumental in improving efficiency the testimony of the first chairman of the unemployment-insurance fund is so directly in point that it merits quoting.

In 1925 the union appointed a committee to meet and to work with a committee of the employers and go through all the shops and find out whether there was any restriction of output and remove it. This affected several firms, but I am speaking of one that I have in mind with about 2,000 employees. This particular firm was about to go on the rocks. Its unemployment fund was exhausted practically; we expected it would come out on the deficit side. The union went to work to save that firm from going on the rocks. They enabled it to put out a different line of garment, to sell at a lower price. They cut out all the restrictions, and permitted the company to introduce mechanical devices, and the result is this: that during the period since 1925 the output per man hour has increased just 40 per cent in three years.⁶⁹

Other instances of the kind cited in the quotation above, though perhaps not as dramatic, may be found. By assisting firms in the rearrangement of manufacturing processes, and by "making suggestions for the substituting of machinery for hand labor," union officials have played a part in raising the efficiency of the industry.

Bearing in mind the degree of general improvement in efficiency for the market which is suggested by the census figures, one finds that the statement quoted above indicates that the improvement has been by no means uniform. If these figures are to be trusted, it is clear that some firms have made considerable improvement while others have found themselves in a less favorable position. It is germane to the discussion to raise the question: To what extent is the system of collective dealing responsible for

⁶⁹Testimony of Professor John R. Commons in Senate Report, 2072, pp. 233-34. It is in point to note that Professor Commons with characteristic enthusiasm attributes this "outburst of spiritual efficiency" by a group that were formerly "bolsheviks" as being largely due to the operation of the unemployment-insurance plan. This was undoubtedly of some importance, but it is by no means clear that it deserves first place. The general confidence of the workers had already been built up through the protection against rate cutting and discharge afforded by the operation of the trade agreement.

difference in the productivity of workers in various establishments? A partial answer to this question is to be found in the circumstances surrounding the creation of the adjustment committee which recommended the changes introduced in 1925. On May 1, 1925, the collective agreement for the market was to expire. The employers were insistent that wage reductions should be included in the new agreement. Some time before the expiration of the agreement the union officials had met this demand of the employers by the reply that no wage reductions would be allowed, but that a joint committee, after studying the problems of each concern, "would make adjustments which would lower costs." For present purposes the significant fact about this process of cost adjustment was that by the reason of its very nature it was not uniform for all houses in the market. In this the union must be credited with an exceedingly astute maneuver. Having long conceded to the employers the right to operate under piecework, and having accepted the problems which the system of shop collective bargaining entails for unionism, the officials apparently decided that the organization was also entitled to whatever bargaining advantages might accompany such a system. The acceptance of the task of readjustment on the basis of the individual houses rather than a general reduction for the market placed the union in a position where it could deal with the employers one at a time or in related groups, instead of with the market as a whole. It therefore approved changes and adjustment in houses which it felt were powerful, and was in a position to refuse to grant concessions to many of the firms where concessions were unnecessary to retain the union's position. Partly by design and partly for mechanical reasons it seems that the adjustments granted were such as to reduce costs for the larger establishments more than for the smaller ones. The larger houses nec-

essarily had more men who could be shifted to positions more advantageous to the firms, while retaining approximately the same earnings for the men.⁷⁰

It is incumbent to record that the adjustment process was not carried through entirely without friction. It furnished the occasion for the major dispute of the industry since the organization of the market. It so happened that the shops of the International Tailoring Company and the J. L. Taylor Company were jointly controlled by a New York clothing manufacturer, and it was felt by the management of the International Shop in Chicago that the union had discriminated against it. On slight pretext, therefore, a strike and lockout ensued in the middle of 1925 in both the New York and the Chicago shops of the International Company.⁷¹

⁷⁰The process has been described by one writer as follows: "The whole process was an exceedingly clever method of accepting an almost inevitable wage reduction in such a way that the rank and file was hardly aware that any reduction had taken place..... The union naturally had made no more concealed reductions than it had been forced to make.....The Union felt that it must retain the good will of the large employers in the market. With these behind it, it could override the protest of the small manufacturers" (H. B. Myers, Policing the Labor Disputes in Chicago (University of Chicago, Ph.D. thesis, 1929), pp. 1006-07).

⁷¹In its bill of complaint, asking for an injunction, the company claimed that it had asked for adjustments "with reference to the amount of work to be considered a day's work by its out-ers,....which adjustments were but slight and of comparatively minor importance, and which your orator believes that the union would accede to" (International Tailoring Company v. Amalgamated Clothing Workers, Superior Court, Cook County, Records of the Clerk, Case 422520).

It is in point to state that for some time previous to the strike the union officials had been having difficulty with the Chicago management of this firm. Two possible interpretations of the foregoing quotation suggest themselves when considered in the light of this fact.

Either the "minor" adjustments asked for were not as insignificant as claimed, or, if insignificant, they were used merely as a pretext in order to break relations with the union, which for other reasons were felt to be objectionable. It is not likely that the firm, standing as it did in a highly organized market, would have risked what it must have known to be an expensive experience with little at stake. A detailed but somewhat biased account of the International strike will be found in the A.C.W. of A. Documentary History (1926), pp. 77-90. The best unbiased analysis is to be found in Myers, op.cit., chap. xvi.

After a nineteen weeks' strike, when the Chicago management felt that the situation was well in hand, instructions were received indicating that an agreement had been reached by the superior officials in New York with the national officers of the union. The details of the settlement as worked out in Chicago actually granted the International Company reductions in wage rates which amounted to from 8 to 10 cents per suit, as well as other concessions which were certainly as favorable as the adjustments originally demanded by the employers. Nevertheless, the final outcome must be interpreted as a moral victory for the union. It prevented a major break in the organization of the market and removed the hope of some employers that the union control might be weakened.

But for this major point of friction, which was finally overcome, the readjustments at the time of the signing of the 1925 agreement were made acceptable to both the employers and the workers, although it can hardly be said that all parties were entirely satisfied. It should be recorded that in no other unionized industry of the city has there been found a case in which union officials have attempted an elimination of waste in the interests of lowered costs of production that is comparable to this one. It is altogether likely, however, that the greatest influence of the A.C.W. has not been in the field of suggesting specific improvements, but rather in its support of a comprehensive system for the adjustment of minor grievances which has tended to increase the co-operation of the workers. Sources of waste might have been discovered by technical experts employed for that purpose, but the elimination of waste in an industry which is not subject to the extensive introduction of machinery requires the full co-operation of the employing force. Hence in his testimony before the Senate Committee, Professor Commons stated the employers' attitude in

the following words:

They can only say that they had not been able to go ahead in this enormous increase in efficiency if they had not had this system which puts the employees in a frame of mind to be willing to co-operate with them.⁷²

Aside from interpreting numerous provisions of the agreements when cases arise, the attention of the Trade Board is divided largely between two types of cases: those having to do with discipline or discharge of workers and those dealing with the adjustment of wage rates. The assurance granted the workers against inconsiderate discharge and arbitrary changes in the wage rates, processes, and machinery has been vital in the prevention of the numerous stoppages which characterized the industry before 1919. Quite aside from the subtle influence upon the workers' morale, the disposal of petty grievances in this manner must have played a part in improving the efficiency of the industry, although the extent cannot be measured.⁷³

A brief summary of the operation of the unemployment-insurance plan, which is supplementary to the market agreement in the men's clothing industry, is called for before concluding this section. With but a few exceptions, all the regularly employed members of the A.C.W. of one year's standing are covered by the insurance agreement. The average number of insured workers since the inception of the plan in 1924 is shown by the accompanying figures.⁷⁴

⁷²See Senate Report 2072, p. 241. Professor Commons was speaking primarily of the unemployment-insurance system, but the statement is relevant to the operation of the general scheme of collective bargaining.

⁷³William M. Leiserson, "The Impartial Machinery," Amalgamated Illustrated Almanac (1924), pp. 37 ff.; William G. Haber, "Workers' Rights and the Introduction of Machinery in the Men's Clothing Industry," Journal of Political Economy, 1925, pp. 388-409; Gladys L. Palmer, "Job Conscious Unionism in the Chicago Men's Clothing Industry," American Economic Review, 1930, pp. 28 ff.

⁷⁴Data for the first three insurance periods taken from Documentary History (1926-28), p. 22; for the second three periods furnished the writer by courtesy of the office of the Trade Board.

Years	Number of Insured Workers
May, 1924--May, 1925.....	24,795
May, 1925--May, 1926.....	17,494
May, 1926--May, 1927.....	16,008
May, 1927--May, 1928.....	16,249
May, 1928--May, 1929.....	15,088
May, 1929--May, 1930.....	13,903

In round numbers the contributions to the fund to January, 1929, totaled \$5,000,000, benefits had been paid of slightly more than \$4,000,000, and the administration of the fund had cost only a little more than \$300,000. The balance in the fund was slightly under \$700,000.⁷⁵ Benefits from the fund have been paid to almost all of the insured workers during every insurance season, the individual sums varying between \$60 and \$70 per year.⁷⁶ Benefits are paid **semiannually** under the supervision of the trustees of the various boards through the union office, thus facilitating the collection of union dues. Except for the contractors, who are organized into a mutual-insurance company, the fund is administered as a group of individual funds for each of the houses in the market. Since the contractors employ only an extremely small proportion of the total working force, the plan for the most part does not operate on insurance principles.

Not only is this statement true for the market as a whole, but so far as contributions and benefits are concerned, they are not based upon insurance principles even within the individual establishment. To appreciate this fact fully one must consider the benefit system in relation to the "equal division of work" principle. This practice is much more nearly in conformity with insurance principles than the unemployment-insurance plan itself. In so far as there is a distribution of the risk of shortage of employment, it results more from the application of the equal division of work

⁷⁵Letter of Dr. B. M. Squires, dated January 26, 1929, Senate Report 2072, p. 256.

⁷⁶Ibid., p. 273.

doctrine than from the insurance plan. It is this doctrine, which, tending as it does to equalize the probability of unemployment among the workers of each of the individual plants, makes a system of uniform rates of contribution assume whatever resemblance to insurance premiums it may possess.

It is not clear that the operation of this scheme of unemployment benefits has had any influence upon regularizing employment. It is true that between 1923 and 1929 several of the firms had been able to increase the amount of employment which they were able to offer from thirty-five to forty weeks per year,⁷⁷ but other factors were so influential that it is unjustifiable to attribute much of this improvement to the insurance system.

From this account of the operation of the system of collective bargaining in force in Chicago's wearing-apparel industries it is possible to conclude that the most comprehensive system of control over employment relations was that in effect in the men's garment industry. But for some unimportant exceptions, there have been certain points of friction in the functioning of all the systems. The next section will set forth what seem to be the more important forces that have aided in maintaining collective bargaining in these industries, have set the limits of its operations, and have determined its character.

IV. Limiting and Supporting Forces

It must be admitted that the operation of collective bargaining has met with considerable difficulties in all of the allied clothing industries. The Chicago local of the Journeymen Tailors' Union claimed the distinction of not having had any serious dis-

⁷⁷This statement does not take into account the influence upon the industry of the general business depression beginning in the latter part of 1929. See testimony of Professor Commons, also Mr. Howard, *ibid.*, pp. 223, 257; also letter of Dr. Squires, p. 256.

pute in the industry under its control for more than seventeen years.⁷⁸ Granting the soundness of this claim, it may be observed that only two other small organizations in Chicago's clothing industries (Local 33 U.G.W. and the Hatters) have met with such fortune. The Ladies' Garment Workers, after securing extensive though incomplete recognition in the dress industry of the city in 1919, found itself able to maintain collective bargaining in this branch of the manufacture of women's wear only a scant four years. At the end of 1924 (December), the same year in which there occurred the all but complete breakdown of joint relations in the dressmaking factories, the scheme for unemployment insurance was adopted in the cloak-and-suit branch of the industry. But it too was destined to be short lived, for dissension within the union in 1927 completely wrecked the operation of the system.⁷⁹ In the men's cap factories, the system of joint control of employment relations, after functioning for nearly twelve years, was abandoned by a lock-out in 1928.⁸⁰ The practice of collective dealing which came in-

⁷⁸See statement of Mr. Gust Soderberg, general secretary-treasurer of the International organization and former official of the Chicago local union, in Federation News, February 15, 1930, pp. 5 and 14.

Since 1931 this claim must of course be modified (see supra, n.9).

⁷⁹There was also a clear disposition on the part of the employers to feel that the system was inequitable since they were contributing twice the amount of the workers. While the system in the men's clothing industry in 1930 called for contributions from the employers of double the amount due from the union members, this arrangement has only been effective since 1928, and it is quite likely that although the contributions of the employers in the cloak-and-suit shops represented the same proportion of the wage bill as did those of the men's garment factories, in making the comparison the ladies' garment manufacturers felt that they were being discriminated against since the workers would not match this amount. It is impossible to determine whether this attitude of the employers was more important in the abandonment of the plan than the internal dissension in the union ranks (Bull. 491, p. 702). Interview with an official of the Chicago Suit and Cloak Manufacturers' Association.

By legal decision only recently the few thousand dollars remaining in the unemployment-insurance fund has been turned into the treasury of the I.L.G.W.U. Joint Board, and the communist faction has surrendered control (Justice, March, 1930, p. 1).

⁸⁰Federation News, February 11, 1928, p. 10.

to existence under the direction of the affiliated sister-organization of millinery workers in 1925 met with a similar fate after four years of operation.⁸¹

The Hatters, Shoe Workers, and United Garment Workers all in narrowly limited fields have apparently been able to continue joint relations, without serious disturbance for more than ten years. The Amalgamated Clothing Workers, easily the most powerful of the organizations, met the first severe test of its ability to maintain control since the organization of the market in 1919, six years later, in a strike with the International Tailoring Company. Although the issues were finally settled in favor of maintaining collective bargaining, there is reason to believe that a slight turn of events might have yielded a different outcome. The Cleaners' and Dyers' Union, which in a sense takes its place alongside of the Amalgamated when considered from the standpoint of extent of control, was able to avoid the disastrous results threatened by the lockout of 1929, and still retained a strong bargaining position in 1930.

In this rather confusing scene, what are the more important economic forces that seem to have determined its form and color? First of all, it is possible to separate the industries in which these unions have operated in terms of the extent of their respective markets. The cleaning and dyeing industry, by virtue of the fact that it is a personal-service industry dealing directly with consumers usually requiring work done on short order, is largely limited to the local market. This statement is subject to certain qualifications. The industry normally draws considerable business from the smaller surrounding towns not large enough to maintain their own cleaning plants; moreover, in the last few years the pos-

⁸¹Ibid., April 28, 1926, p. 10; February 8, 1930, p. 16; Monthly Labor Review, April, 1930, p. 124.

sibility of intermarket competition by mail and express in case of wide differences in the price of service between the two markets has been conclusively demonstrated. Following the decision of the arbitrator early in 1930 there existed a tendency toward charging higher prices for cleaning service in many of the Chicago houses. Severe competition ensued, several firms shipping goods by express to out-of-town cleaning plants from offices located in the "Loop." Prices for cleaning men's suits were quoted as low as 59 cents by some of these offices at a time when some of the local cleaners were asking \$1.50 for the same process. Under the powers granted the impartial chairman an order to the local firms to lower prices was issued, and the effect appears to have been to restore at least some of the local business to the Chicago firms and check the outside competition.⁸² But for this possibility of intermarket competition, cleaning and dyeing remains a localized industry.

The Chicago fur manufacturers and the custom-tailoring establishments are in somewhat a similar position. With the exception of the fur-trimming establishments, most of the Chicago manufacturers confine their business to made-to-order garments direct for consumers. The ready-made fur garments sold in the city are largely manufactured in New York, and it is reported that only one Chicago furrier attempts an extensive national business. Similarly, the custom tailors, since they cater directly to the users of high-grade made-to-measure garments, operate almost exclusively within the local market.

It will be recalled that the Fur Workers and the Journeymen Tailors were the only organizations of the clothing group which continued to require the time wage as the exclusive method of payment for labor. It is appropriate at this point to notice the

⁸²Federation News, June 7, 1930, p. 3; Chicago Tribune, June 1, 1930.

features of these two industries which assisted the unions in following out this policy. The local character of the market has been of some importance in this connection, but in conjunction with this fact the type of product must be considered. The clientèle which turns to custom tailoring and fur shops for garments is of the type that will be much less concerned with price than with style and quality. Less expensive, although perhaps not equally fine, substitutes are available to them in the retail shops handling ready-made garments, if prices were of primary concern. During a period of declining business activity when all customers must consider prices more carefully, the possibility of substitution subjects the custom establishments to a form of competition which may force a change of policy.⁸³ However, while the price level remains steady or rises, the custom-tailoring and fur-goods manufacturers in Chicago may operate on a basis that resembles a cost-plus system. This being true, the years prior to 1930 found the employer in these two apparel industries less concerned with the reduction of costs than in industries having national markets, where quality was of less importance than price.

Another feature common to both the fur and the custom-tailoring industries is the relatively high cost of materials. In the fur shops the cost of materials represents roughly four and one-half times the wages bill, while in the custom tailor shops a corresponding calculation on the basis of inventories only, yields an estimate that materials cost six times the annual wage bill. Although the materials are expensive in other lines of garment manufacture, in none of them does the cost of materials exceed three times the annual wages bill.⁸⁴ This fact of relatively expensive

⁸³Witness the strike in the custom-tailoring shops in 1931 (see supra, n. 9).

⁸⁴Warning should be issued as to the nature of this estimate. That for the relation between the (note continued on next page)

materials has contributed to the willingness of the employers in the tailor shops and fur-manufacturing establishments to submit to a system of wage payment which does not place the employees under the pressure of piece rates and so increase the risk of loss through spoiling of goods.

With the three exceptions of cleaning, custom tailoring, and fur manufacturing, all of the clothing industries of the city compete in national markets. It is worthy of considerable emphasis that this is the only group within the scope of this study of unionized industries of the city which enters into active and extensive competition in a national market.

Another fact of major importance to an understanding of collective bargaining in the clothing industries is the comparatively slight reliance upon the use of machinery. Only in the manufacture of shoes and knit goods, of which Chicago produces but a small part of the national output, is the use of machinery of any great significance. In the manufacture of both men's and women's garments, some machinery is used, but the processes are not of the type which throw any great advantage to the firms having large amounts of equipment. The two basic processes are cutting and assembling the material. For the first of these, well-lighted space, cutting tables, and circular electric knives are considered modern equipment. In the assembly of garments, sewing machines, somewhat more elaborate than the domestic type, are the most expensive equipment required. Obviously in these circumstances the clothing factory

wage bill and cost of materials in the fur shops is taken from Wholesale and Retail Trade. The wage figure there includes salaries as well, while the inventory on December 31, 1926, is multiplied by the turnover figure for the year to give the cost of materials. The other calculations are based on the reports in the Census of Manufactures (1927), and salaries are not included along with the figures for wages, nor is the cost of supplies, fuel, and power reported separately from the cost of materials. If the figures were strictly comparable, the argument set forth above would be strengthened rather than weakened.

employing, say, one hundred workers is little more than a combination of ten small shops or ten manufacturing units. There is perhaps a small advantage which accrues to the large manufacturer in the form of economy of space, but it seems to be so slight that it can be offset in the smaller factories by other items.

There appear to be only three distinct sources from which the large houses may derive a real advantage. The first is an economy which may result from large-scale buying, the second is the saving arising out of the possibility of cutting several lays of material at the same time, and the last is the competitive advantage in advertising and marketing. It will be observed that the first two of these at least do not necessarily imply large-scale manufacturing, since goods might be bought and cut in so-called "inside" shops and the pieces sent to numerous small contractors to be assembled into finished garments, or for "operating," in the language of the trade. The advantage of large-scale marketing, if it is to be long retained, implies the maintenance of uniformity in the quality of the product.⁸⁵

It is this possibility of separating a large part of the manufacturing processes from the marketing organization that makes possible the prevalence of contracting which has characterized the manufacture of ready-to-wear clothing and made for extremely keen competition within the industry. It requires little capital to become a contractor; and one of the chief requisites prior to the

⁸⁵"The larger establishments have no great advantage over the smaller, and do not tend to drive them out of business, except in some few lines where a well advertised name can be made to count" (see Budish and Soule, *op. cit.*, p. 34). It should be noticed that this was written in 1920 and some changes, particularly in the men's clothing industry, have made the exception indicated in this quotation of more significance than it was then. Although assuming full responsibility for the foregoing treatment of the variations in costs as between the different sizes of establishments, the writer wishes to acknowledge the benefit of discussion with R. J. Myers, who is now at work on a detailed and comprehensive study of the men's clothing industry.

organization of the market and the immigration law seems to have been the ability to reduce the wage bill to the minimum by exploiting the newly arrived immigrants to the fullest extent possible. Many of the contractors possess little business training, and the piecework system is relied upon to protect against miscalculations of costs and to reduce supervision expense.

Added to these characteristics of small-scale competitive operation and national markets the importance of "style" must be considered. Not only does the fact that the garments must indicate a certain degree of distinction prevent the manufacturers from taking full advantage of large-scale operations and so aid in the perpetuation of the contract system, but it also has much to do with the irregularity of the operations in the industry. The statement has been made that "it would be comparatively easy to avoid the worst seasonal fluctuations by distributing work evenly throughout the year were it not for fashions."⁸⁶

Finally, account must be taken of the character of the working force. In the two most important of the garment industries, the workers have in the past been largely of Jewish and Italian extraction. A very large per cent, perhaps more than 40, of the workers are women in both the men's and the women's coat and suit shops. In the dressmaking section of the industry the women predominate, in some cases forming as much as 70 per cent of the working force.⁸⁷

With these general features of the industries in mind, it is now possible to inquire into the relation between them and the particular character of collective bargaining found in Chicago. Taking the two major clothing industries of the city, it is possible for one to note the contrast in their positions. The men's cloth-

⁸⁶Budish and Soule, *op. cit.*, p. 30.

⁸⁷Magee, *op. cit.*, p. 79; *Wages and Hours of Labor in Men's Clothing Industry (1911-26)*; U.S. Bureau of Labor Statistics, *Bull. 435*, p. 30.

ing industry was highly organized, and it produced 13 per cent of the value of the product of the nation with approximately the same proportion of the total working force. While the union in this industry must act with reference to competitive conditions in other markets, it can and does initiate policies.

The ladies' garment industry, on the other hand, produced approximately 4 per cent of the national product and employed only a little more than 6 per cent of the working force. New York produced roughly twenty times the amount of women's clothing than was made in Chicago factories. The Chicago Joint Board of the I.L.G. W.U. has therefore found itself in the position where it has been governed largely by conditions in Manhattan.⁸⁸

Both the men's and the women's garment factories of Chicago are larger than those of New York, which is accounted for by the prevalence of contracting in Manhattan. In Chicago, the average factory for the manufacture of men's clothing employed 65 wage-earners in 1927, while the corresponding figure for the New York establishments was 18. Further significance is given the Chicago figure when it is noticed that 129 contractors of the 206 union shops in the city in 1926 employed only 3,000 of the entire 19,000 workers in the organized section of the industry.⁸⁹

In the women's garment shops of the city, the practice of contracting has been increasing in the last few years although the average size of establishment remains larger than in New York, the number of wage-earners per factory in 1927 being 25 as compared with 15 in New York. Since the New York practice tends to govern that of the Chicago union, it is a contractor's market that has dictated the character of the Chicago as well as of the New York

⁸⁸All the calculations as to the relative position of Chicago are based on the figure of the Census of Manufactures (1927).

⁸⁹Data from ibid. (1927) and Senate Report 2072, p. 399.

agreements. This is clearly seen in the requirement that the employer is to deposit a cash bond with the union to assure compliance with the agreement. This was found in the New York agreement of the men's garment industry as well, where contracting is the common practice.

Since the small contractor establishments stand as an ever present menace threatening to encroach upon the business of the larger plants, there occurs a situation which is in some of its aspects comparable to that found to prevail in the building trades. Some of the larger establishments have been the sources from which the union has derived its encouragement, because if the union could establish standard wage rates throughout the market, it would thereby greatly reduce the competition of the small contractors. The argument presupposes that plants may grow large without the existence of an organization which will standardize wage rates for all concerns, and this is in conformity with the facts in the Chicago men's clothing industry. Several of the larger clothing establishments of Chicago had already attained national importance through extensive advertising even before the World War. It must not be inferred that some of them had not assisted themselves to their position by following the same practice of the contractors in taking advantage of newly arrived immigrant labor. Some of them had contributed to the support of the sweat-shop system of manufacturing, but when forced under the pressure of immigration restriction and war-time shortage of labor to submit to unionism, they have seen that unionism may have its benefits as well as its disadvantages. In so far as the union in the Chicago market has been able to standardize wage rates, it has aided in the concentration which has been going on in recent years, and in turn has been aided by it.⁹⁰

⁹⁰In 1923, 130 clothiers, special-order tailors, and out-and-
(note continued on next page)

The foregoing line of reasoning, if sound, helps to explain the fact that the organization of the Chicago market, where large firms predominate, has been more extensive and more stable than that in New York, where the contracting system prevails. It also goes a long way toward accounting for the difference between the organization in the ladies' and men's garment industries. Styles are of more importance in the manufacture of women's wear than in the making of men's garments. This means that it is even more difficult for a large firm to gain a foothold. The small firm with the capable designer is the leading firm of the industry. An approach to mass production is even more difficult than in the making of men's wear. The consequences are that if a union is to function effectively it must deal directly with a large number of small factories and must gain control over new ones which are constantly springing up as soon as the market appears to be organized. In characterizing the industry as one of keen competition because of this fact, one writer has stated:

The usual result of cut-throat competition is a reorganization of the industry into fewer establishments, and in the women's clothing industry there is no doubt that such reorganization would be advisable. The confusing phenomenon is that this concentration or consolidation does not occur.....Such a chaotic state is due to conditions peculiar to the trade, particularly to the psychology of the Semitic worker who is so easily persuaded that he will prosper in business of his own and the shrewdness of the jobber who encourages and exploits this trait of his fellow Jew by setting him up in business to compete against others in the making of garments.....An economic reorganization of the industry is bound to eliminate many of the shops and many of the workers, but the greater regularity of work on the part of those remaining cannot fail to be a boon to the industry.⁹¹

trim houses employed 21,000 workers, while 263 contractors had approximately 6,000 employees. Three years later there were only 77 firms (not contractors) in the market employing a total of 16,000 workers, while the number of contractors had diminished to 129, and they employed only one-half the number of the wage-earners that were in the contract shops in 1923. See Senate Report 2072, p. 339. In 1930, by which time the union had attained its highest degree of control, the union shops were divided into 94 contracting and 63 other houses.

⁹¹Magee, op. cit., p. 251.

In Chicago the numbers of manufacturers who have turned jobbers and relied upon the contractors to do their manufacturing for them seems to have been on the increase in recent years. There is constantly at work this tendency for the industry to slip out from under organized control.

This argument must be reconciled with the fact that the more extensive organization in the Chicago ladies' garment industry is to be found in the cloak shops rather than in the dress factories. As a rule the dress factories are larger than the suit shops. In part the failure of the union to regain control in the dress shops may be due to the inability of the union to adjust its policies to meet the different conditions in the two branches of the industry. The work is somewhat less skilled in character, the materials, although frequently expensive, tend to represent a somewhat smaller proportion of the total value of the product than in the manufacture of cloaks and suits,⁹² and most of the working force are women who can easily be replaced. The week-work policy which the union has insisted upon in the past was the result in part of the difficulty of supervising a system of piece rates in a large number of shops producing varying types of garments. Moreover, the factory-made dress industry is of more recent origin than that of manufacturing cloaks and suits, and does not have the same background of sweat-shop history. Finally, although the establishments tend to be large, the factor of keen competition is not absent. In part this results from the character of the consumers' demand. The length of life of a dress is probably less than that of cloaks or suits, and there is always the ever present possibility that the housewife may make her own dresses if prices are not kept at attractive levels.

⁹²See Levine, op.cit., p. 516.

With these factors to consider, it should also be noted that the Ladies Garment Workers' Union, however much co-operation with employers it may have displayed on occasions, cannot be credited with the same appreciation of the employer's position that has been shown by the A.C.W. It is not intended that this statement should be any reflection upon the personnel of the organization. The I.L.G.W.U. policy has been due in large measure to conditions within the industry over which the officials have had little control. The presence of a large number of small and constantly changing shops has made the enforcement of standards difficult, and it has not been easy to keep the rank and file satisfied. Dissension within the union has not been uncommon, and the officials have had to devote fully as much attention to internal problems as to bargaining relations. Similar problems have confronted the A.C.W. organization in the men's clothing industry of New York, where the industry is concerned mainly with the making of cheaper-quality clothing in which trade-marks are of no significance, and where the small jobber and contractor is in his element.

Reliance upon female labor in the millinery industry, together with a wide and open market, has made the maintenance of collective dealing in this industry extremely difficult. Unprotected by the appeal of the union label, which has been the mainstay of the Garment Workers and perhaps of the Glove Workers, the Millinery Workers have been forced to meet a new competition in the form of the chain millinery store. The consequences have been nothing short of disastrous for the union.

It is appropriate to conclude this discussion of the forces influencing collective bargaining in the wearing-apparel industry by re-emphasizing the significance of the national character of the market. It is this which more than any other one factor has

limited the control of the unions. There can be no question but that the A.C.W. has aided in raising the standards of the men's garment industry, but it is not likely that any serious burden could be imposed upon the public in an industry where the possibility of control is always endangered by the growth of new competitors outside of the organized area. It has been essential for the leadership of the union constantly to bear in mind the competition of unorganized centers, and to contribute their share to maintain the productivity of the industry as well to protect the workers. It is doubtless true that the personalities both of the workers and of the employers' organizations, as well as of the impartial machinery of the market has been important in shaping collective bargaining, but the above-mentioned economic factors have been at the root of what has been called "in many respects the most noteworthy means of controlling labor relations that has been developed in this country."⁹³

⁹³Myers, op. cit., p. 1000.

CHAPTER IX

SUMMARY AND CONCLUSIONS

Conclusions drawn from this study of the extent and location of unionism in Chicago must be viewed in the light of the limited nature of the material. The study has not entered into detailed consideration of all the factors determining the organizability of labor. Many of these, although not strictly economic in character, are doubtless of importance in explaining the exact manner in which collective bargaining has functioned. Moreover, the time and space limitations adopted in the present undertaking impose conditions which must be observed in formulating decisions based on the evidence presented. Attention has been directed toward the taking of a "snapshot" of the institutions for collective bargaining in Chicago as they functioned in 1929-30. To gain perspective for this task, the writer has sifted a great deal of evidence concerning labor organization in earlier years, but only as much of the information so obtained as is necessary to set forth the situation of 1929 in sharp relief has been presented.

The unions that are the subject of this study represent only about 10 per cent of the reported union membership in the United States, exclusive of the organizations active in interstate transportation. Obviously a study concerned with so small a part of the American labor movement will not afford the basis for wide generalization. Collective bargaining elsewhere and at different times may be of a different character and may be influenced by different forces. Nevertheless, since the trade-unions of Chicago include a substantial representation of all the American unions,

except those active in mining and in textile manufacturing, it is believed that the material has more than local significance.

Although the fact that the study has been concerned with the consideration of a short period restricts the character of its conclusions, this may have advantages as well. The study has not been primarily concerned with historical sequence, and it has therefore been possible to give at least brief consideration to the forces influencing the operation of collective bargaining throughout a wide range of industry. Moreover, in many respects the situation existing in 1929 was unstable, and it may have been fortunate that such a snapshot of conditions was made just at the end of a major swing in business activity. Changes in subsequent years may be more easily measured and interpreted against the picture here presented.

Before proceeding with a summary of conclusions, it is incumbent that the major assumption upon which the interpretation has been grounded should be made clear in order that the results may be more easily subject to criticism and correction. This assumption is that in the modern economic order the employer takes the initiative in the employment relation. The relation must appeal to him as profitable or it will not be perpetuated. This assumption is certainly in harmony with the existing legal institutions, and is commonly made by the neo-classical economists, but it is often disregarded by writers on labor problems. To the extent that this assumption can be shown to be invalid, it must be admitted at the outset that some of the present interpretation is inadequate.

Since the unions of public servants do not, in a strict sense, engage in collective bargaining, but are forced to rely on the "method of legal enactment" if they are to influence their own working conditions, they are properly excluded from our considera-

tion, although attention must be given to them in so far as they aid other groups of workers in controlling employment relations. Many of the small unions of public servants in Chicago are instruments of political control, and may be treated as vote-getting machines rather than as trade-unions.

Among the more salient characteristics of union bargaining observed in Chicago is that of diversity. In no one industry does it seem valid to explain the existence and maintenance of the institution as attributable to any single economic factor. Nor is it possible to bring all the unionized industries into one pattern and account for the fact of labor organization on the basis of the same set of influences existing in all of them. As a matter of fact, collective dealing by workers, although carried on through institutions that call themselves by the same name, will be found to have different characteristics as one passes from one industry to another. Although this varied nature of collective bargaining must be borne in mind, an interpretation of the maintenance of the institution is possible which centers its attention upon the question, "What are the economic factors which tend to make it profitable for employers to recognize (or more pertinently in some cases cause it to be unprofitable for them to refuse to recognize) some central organization under more or less democratic control of the workers of the industry, as the bargaining agent for their own employees?" Stated in these terms, the question propounded does not assume that such a complex human institution as trade-unionism, even as it manifests itself at a particular time and place, is subject to monistic interpretation. On the contrary, it invites addition, criticism, correction, and supplementation.

Common to many of the unionized industries of the city is a demand for a central institution which will supply employment ser-

vice of a specialized character. This has been of no small importance in influencing the building-trade contractors to perpetuate the practice of union recognition. In the smaller bakeries, the only section of the baking industry in which extensive labor organization was found, there is a regular week-end demand for extra workers.¹ The union here performed the much-needed function of acting as clearing-house for labor--a function which might be performed by some other agency, but which in fact has not been. To a lesser extent the same consideration is of importance in accounting for the recognition of the union by the retail butcher shops. Similarly, one of the motives assisting in the maintenance of collective dealing in the jobbing foundries and the pattern jobbing shops, as well as in many of the union shops in the printing industry, was the desire to have ready access to a central organization whose business it was to keep in touch with the workers of the industry. The motive seems to be of more importance in industries and shops where skilled workers are required. It is significant in this connection that in the electric-transportation system, where extra workers are constantly called for to take care of irregular peak loads, the employers did not hire men through the union office, and the existence of collective bargaining cannot be attributed to the furnishing of employment-bureau service. A similar fact should be noticed with reference to most of the employers of the members of the various teamsters' unions.

A factor of considerable importance in accounting for the unionism among some groups lies outside of the immediate characteristics of the work of the particular group, and is found in its relation to other trades. In Chicago, one example of this is to

¹From the records of the largest Chicago local of the Bakery Workers' Union the writer found that over a nine-year period, 1920-28, slightly more than 12 per cent of the membership was continuously registered on the extra list, and this porportion of the membership received on the average four days of work per month.

be found in the unions of workers engaged in manufacturing metal products. Except for the pattern makers and the molders, the members of the metal-trades unions were found largely in shops making equipment for the local building-construction industry or for printing establishments, and collective bargaining in the metal-products industries can hardly be said to have been self-supporting. Likewise, the "upholsterers," the brickyards workers, and the planing-mill employees have all benefited by associations with the building-construction workers. Even more directly, the organization of the oil-station attendants and the coal-yard laborers have been supported by the respective local unions of teamsters with which they are affiliated. The position of the strong Flat Janitors' Union has been secured and protected in large part by the reciprocity existing between that union and the various teamsters' organizations with which it comes in contact, and more particularly with the Milk Wagon Drivers' Union. In the amusement industry, each of the three major unions of motion picture machine operators, stage hands, and musicians, at least until very recently, have been well fortified, but they have added to their individual strength by pooling their interests on various occasions. Interrelations of this kind increase the complexity of forces influencing trade-union activity and raise considerations which must limit explanation when applied to any particular industry.

An essential circumstance in the maintenance of stable collective bargaining lies in the possibility of (a) controlling the employers' market and (or) (b) controlling the labor supply. For the protection of the employers' market, a number of different devices illustrated by the Chicago situation seem to have had more or less usefulness. Of perhaps the least importance is the device of the union label. So far as the Chicago market is concerned, this de-

vice is of limited influence in sustaining the organizations of workers in the manufacture of work clothing, the retail bakeshops, the cigar-making shops, and some of the printing establishments. In the printing establishments its chief value to the employer appears when he is bidding for contracts for printing of public documents and material for political campaigns.²

Closely related to the results attainable by the use of the label, but of considerably more effect, is the value of political influence which a body of organized workers may exert. This factor of the political influence of unionism assists all of the more important organizations, but it appears to have been of particular significance in the case of the brick workers, the building-construction group, the local transportation workers, and the printers.³ It is by their political influence that unions of public servants have aided other groups in maintaining collective bargaining.

Finally, and most important of all as a protection to the em-

²An official of the Allied Printing Trades Council reported to the writer that the months immediately preceding election always saw an increase in the number of applications for the label privilege, and that prosecutions for infringement usually came during election periods.

³An effort to change the building code to the disadvantage of The unionized local brick industry was made in 1925 under Mayor Dever, but was unsuccessful. Charges of bribery were levied against prominent members of the union, brick manufacturers, and members of the City Council, but no proof of this charge has been discovered. At any rate, the union has done its part in supporting legal provisions protecting the local industry.

The result is to be found in the "Chicago Building Ordinance of 1929" (see particularly Art. XIII, sec. 732). "Co-operative competition" has prevailed in the local brick industry since 1910 (see Montgomery, Industrial Relations in the Chicago Building Trades, pp. 194 ff.).

The proprietor of one of the largest union printing offices in the city is a public official and is known to have been the recipient of large contracts for public printing (interview with two employing printers). Also see Chicago Daily News, November 1, 1930. Recently it is reported that the public-service committee of the County Board refused a low bid to furnish milk for the county institutions and "the main concern of the commissioners centered about the question of union labor....The company was told that if it unionized its drivers it might have the contract" (Chicago Tribune, December 20, 1930).

loyer's market, there is the trade agreement itself, which has been found in some industries to be a peculiarly effective device for stabilizing the price structure, to which specific attention will be called later. Supplementing this is the possibility of using the unions to bring about and to maintain agreement as to the division of territory. The latter possibility is manifested in the activities of such unions as the local florists' organization, as well as in several of the teamsters' unions.

So closely related to the problem of protecting the employer's market is the question of limiting the number of workers entering the trade that in some highly unionized industries, notably electrotyping, photo-engraving, and pattern making, the two issues can hardly be separated. Limitation upon the number of entrants to the trade may be either natural, or artificial, in the sense that they are produced by the laboring group. The predominant factor which tends to act as a natural limitation upon entrance to a trade is the skill requirement. For present purposes, this may be defined simply in terms of the period of training. It is obvious that in work where the training period is long, a natural barrier prevents ready entrance to the trade. The consequence has been that in some industries, particularly building construction and printing, the skill requirement has done much to support union control.

On the other hand, the absence of the requirement of skill has not prevented the maintenance of organization among groups for whom the training period is relatively short. In so far as skill acts as a limitation upon entrance to a trade, substitutes for it as a support of unionism have been found when other circumstances are favorable. There appear to be at least four such artificial limitations that can be clearly distinguished. The first is the legal-license requirement,⁴ which may be brought under organization

⁴Note particularly the case of the Motion Picture Machine Operators (see supra, pp. 237 ff.).

control or which is so stated as to impose additional conditions other than the regular training period. The second is the statement of the union apprenticeship period and ratio so as to restrict the number of entrants below the point which the character of work and wage rate in relation to other employment opportunities would normally attract new apprentices. Such limitation would probably be regarded as a supplement to rather than a substitute for the natural skill requirement, since in practice such apprentice regulations are found in the more highly skilled trades. This device is of particular significance as an aid to collective action in printing and building construction, where the custom is for the workers to pass on their own skill to the incoming apprentices. To the extent that this custom prevails, the workers acting as a group are in a position to determine the rate at which the trade shall take on new members.

Once the occupation or industry has been organized, the initiation fee of the union can be used as an effective bar to entrance. This device is used by both skilled and unskilled groups, but since it is meaningless except where substantial control has already been gained over the employment opportunities, it must be regarded as supplementing other primary forces. In Chicago it has been used particularly by the construction unions (where the initiation fee for the skilled unions is usually over \$100, by the flat janitors (\$202.50), by the motion picture machine operators (nominally \$200), and by the stage employees (\$300 and closed save to sons of members).

A fourth, and final, method of artificial restriction upon members is the resort to intimidation by force. No judgment as to the desirability of this method is here implied, but it is incumbent to record that there are not a few employers' associations as

well as unions in which force has played some part in maintaining organization.⁵

Against this discussion of more or less general application to the maintenance of collective bargaining in all of the unionized industries of the city, but of especial significance in the illustrations mentioned, it is now possible to classify the unionized industries. Although the lines of division are blurred and some overlapping appears, three rather well-defined economic patterns may be distinguished in the industries in which collective bargaining is located.

Some of the strongest unions are maintained in industries having narrowly limited markets, where the wage bill forms a relatively small part of the employer's total costs, where the industry irrespective of labor organization is in a quasi-monopolistic position, and where in order to take advantage of this position it is imperative that the employer maintain continuous operation. The only conspicuous examples of unionized industries of this type in Chicago are amusement (i.e., motion-picture theaters) and newspaper printing.

A second group of unions, which includes by far the largest proportion of the total number of the organized workers of the city, is found in industries with limited markets, but where there is no inherent advantage to large-scale operations,⁶ and there is

⁵"Bombings are still frequent in Chicago, but it is estimated that lately very few occur in the cause of labor. In 1929 there were, perhaps, no more than fifteen explosions in over a hundred that had the earmarks of labor terrorism. Most of the Chicago labor unions are again safe from immediate destruction by the employers. Dynamite and slugging have saved them" (Louis Adamic, Harper's Magazine, September, 1930, p. 411).

⁶Attention is called to an article by E. B. Mittleman which lends additional support to the analysis here presented. Although his study was not directly concerned with the questions treated here, Mittleman correctly observed that the location of unionism affiliated with the A.F. of L. has been outside the factory system and limited largely to specialty shops. However, his study does not lead him to consider an expla- (note continued on next page)

therefore no natural tendency toward monopoly. In general these industries have been found to exhibit a much higher proportion of total costs represented by direct labor than the former group.

A third situation is distinguishable in the setting for collective bargaining in the more highly unionized sections of the clothing industry. Here, although there is little advantage to the large establishment on the manufacturing side and handicraft labor is still important in most of the processes, a condition which makes for keen competition, the industry is one operating in a national market. This national character of the market is one of the principal features which distinguishes it from the second group of industries identified.

The relation between the economic character of these three principal settings and the persistence of collective bargaining appears to be as follows. In the first case, which includes mainly newspaper plants and theaters, the influence of union policy operates very slightly, if at all, to strengthen the employers' quasi-monopolistic position. Since the item of wages of organized workers is small, elimination of competition with reference to it can have little effect upon the prices charged consumers for the services of the industries. Collective bargaining is here maintained by control over the supply of skilled labor or by the introduction of substitutes for skill, so that refusal to accede to union demands means costly interruption in the continuity of the employers' business, which must be locally performed. There is no great danger that short interruptions would prevent such employers from regaining their former position since the market is exclusively localized and new concerns cannot spring up quickly, but the immediate losses are so great as to counterbalance any possible gain
nation for this fact. See his "Basis for the American Federation of Labor Opposition to Amalgamation and Politics at Portland," Journal of Political Economy, February, 1924, pp. 86 ff.

which might be forthcoming from the recognition of the employer's right "to run his business as he pleases." Clear cases of this type of industrial situation are not numerous, and while some very powerful labor organizations may flourish under such conditions, an extensive labor movement must spread its activity over a wider field.

The widest range of union activity as exemplified by the Chicago situation is to be found in the second group of industries, or perhaps more accurately branches of industries, which have been identified. Here, one of the important forces which has tended to support collective bargaining has been its ability to aid in controlling a naturally competitive local market. It is significant that in many branches of industry classified in this group (building construction, the jobbing shops in the metal-products industries, the special-process houses of the printing industry, and many of the establishments furnishing local-transportation service) the union employers have without exception given the impression of being less opposed to the existence of labor organization than those in theaters and newspaper establishments.

In economic settings of this second class, where the item of direct labor cost exceeds, say, 40 per cent of the employer's total expenditures, and where the industry operates in a localized market, the trade agreement by making the wage rates for the industry uniform and standard for a definite period of time will tend to control the competitive practices within the market.

As a device of this character, the trade-union agreement will be most readily supported or acquiesced in by the employers when there exists the possibility of shifting on to the purchasers of the products or services of the industry any additional costs which the maintenance of union conditions may entail. Such shifting can best be accomplished where the demand for the products

of the unionized industry is relatively inelastic and during a period when demand is increasing. This method of analysis brings the interpretation of the maintenance of trade-union bargaining squarely within the operation of the theoretical principles of monopoly price.⁷

Without exception, the unionized branches of industry classed as being illustrative of these first two economic settings appear to have enjoyed a growing demand for their products in the years before 1930. The building boom which began in 1922 and continued without any marked decline until 1929 certainly was of much influence in bringing many of the Landis Award contractors back into the fold of fair "employers."⁸

Standing alongside of the building-construction industry, from the standpoint of costs and extent of the market, are the specialty shops in printing and metal-products manufacturing, but analysis of the supporting forces of the collective wage bargain here involves a minor variation. These shops do not produce commodities for direct use. In the printing trades the best illustrations of shops of this character are those engaged in making photo-engraving cuts and electrotyping plates, while the jobbing foundries and pattern shops stand in a corresponding position in the making of metal products. The market is localized, no good substitutes exist as yet for the products of these shops, and the processes are performed by hand with skilled labor making the employers' costs very largely a direct labor cost, and furnishing the workers with protection in the form of a natural limitation upon entrance to the trades, which may be augmented by artificial means.

⁷It is appropriate to notice the close agreement of this analysis, based on an inductive study of the situation in Chicago, with that developed theoretically by W. H. Hutt. See his Theory of Collective Bargaining (King, 1930), esp. pp. 96 ff.

⁸See supra, pp. 22, 23.

In all these respects the trades are similar to the building trades, but the products of the branches of industry to which they are attached are sold to other manufacturing establishments. Take a concrete case. Patterns are used in the making of iron castings. Although it is customary for metal-products manufacturing establishments to maintain pattern-repair departments, few manufacturers make new patterns in their own shops. A pattern once made may be used many times, and the need for new patterns is largely determined by changes in the products of the machine shops and foundries rather than the wearing out of old patterns. It is common practice, therefore, for the machinery manufacturers to rely on the local specialty pattern shops for their new patterns. For these shops the largest single item of expense is the wage bill. When patterns made in these shops are sold to the foundries and machinery manufacturers, however, the cost of the pattern is spread over a large number of castings, and so forms but a very small part of the cost of the finished metal product. The result is that while the owners of the specialty shops will be interested in the regulations of a trade-union which will tend to place all the shops on very nearly the same competitive footing, the buyers of the products will find that it is normally unprofitable for them to resist such price control by setting up their own pattern shops. The argument with respect to the high proportionate direct labor costs in the specialty shops as being a force supporting collective bargaining is not weakened by introducing the factor of the relative inelasticity of demand for the products of such shops, but is rather strengthened thereby.⁹

In further support of the argument is the stubborn fact that

⁹It will be noticed that this part of the analysis follows the pattern set by Marshall, and is point 3 in his building-trades-dispute illustration. See his Principles of Economics, pp. 385 ff.

while a number of metal-products manufacturers in the city are large enough to justify the maintenance of their own shops for the making of new patterns, requiring approximately the same type of workers that are employed in the jobbing shops, none of them has agreements with the union. Some of these shops do employ union members, but except in periods of pronounced activity they make no pretense of observing the union scale. A condition that is fundamentally the same exists in the printing industry, although account should be taken of the fact that here the work of the specialty shops is somewhat different from that required in the large newspaper and job-printing establishments. Nevertheless, it remains true that one of the factors tending to support trade-union relations in the printing industry also is the influence of the trade agreement as a stabilizer of the price structure.

The systems of collective bargaining of the flat janitors and the street-railway employees appear to be supported by some of the forces common to both of the groups discussed above. While it is probably not true that uniformity in wage rates for janitors greatly influences the competition of landlords, certain features of the janitors' wage scale (which were presented in chap. iii) may have a slight influence in this direction. For the street-railway employees it is obvious that the two local employers¹⁰ do not require a trade-union agreement to establish uniformity in wage rates, but it is not so clear that the recognition of the union has had no relation to the employers' control of the industry. The political situation in Chicago has certainly made a possible labor disturbance in the street-railway system extremely undesirable to the company. In spite of these features which seem to bring the case

¹⁰Since the reorganization of the two companies, the Elevated and the Surface Lines, was not completed in 1930, they are referred to as two independent organizations.

of the janitors and the street-railway employees into somewhat the same classification as that of the building-construction workers, the vital difference exists in this fact: There are elements of natural monopoly in the transportation group which exist irrespective of trade-union policy. In this respect the position of these workers is comparable to that of the employees of theaters and newspaper plants. Probably the employers' corresponding necessity for continuous operation, combined with the ability of organized effort to bring about interruptions, and the peculiar political situation in Chicago are major factors assisting in the perpetuation of union relations. •

There remains for analysis the third set of forces suggested as being applicable in the clothing industry. In this industry the pertinent facts seem to be these: a highly competitive national market with little, if any, advantage to the larger firms in manufacturing. The striking difference between this industry and the other unionized industries of the city lies in the fact of a national market. Examination has also revealed that there are very real differences in trade-union policy. The analysis here presented does not assume, as is sometimes done, that the inauguration of such policies in other industries would automatically bring about more extensive organization of labor; results might be quite different if these policies were transposed to other industries. The organization of the Chicago men's clothing market was a product of war-time pressure. It is not likely that the history of collective bargaining in the industry could have been duplicated had the same individuals begun the task of organization at a less favorable time. Once established, it must be admitted that the leadership of both the employers and the workers has been conducive to permanent relations.

But quite aside from the matter of personalities, there has been an ever present tendency for this industry, because of its national character, to slip out from under organized control. Once established, therefore, the union has been confronted with the perpetual problem of maintaining the unionized section of the industry at a point of competitive equality with non-union firms. This has colored the history of the organization. Two methods have been open to the union to maintain this balance: either that of organizing the unorganized sections of the industry as rapidly as they arose or that of continuously watching the results of collective bargaining in unionized plants and preventing union policy from pushing these firms out of the competitive area. In practice both of these methods have been resorted to. Union officials have done their part in attempting to maintain and to improve the technical efficiency of the industry to a greater extent than is found in any other situation in the city. It is probably also true that there has been some slight discrimination in favor of the large establishments, which has tended toward concentration in the industry, and so aided both the large employers and the union. Such evidence as has been found does not indicate that methods followed by the Amalgamated could easily be adopted elsewhere.

Aside from the minor, and as yet experimental, plan of the Machinists' Union in one small plant, not any of the unions active in Chicago, except those in the men's clothing industry, have concerned themselves with a serious and conscious effort at technical improvement of the industries in which they operate. In some cases it appears that unionism may have made for a more effective organization of the industry than would otherwise have prevailed, but this has been an indirect effect rather than a result of conscious effort. Perhaps the organization of the milk-wagon drivers may

have eliminated some duplication in delivery service, and it is quite possible that unionism in the retail bakeshops has permitted employers to maintain establishments with fewer regular employees because of the ability to rely upon the union for extra help at times of peak demand.

In general, it may be said that five large groups of workers have been unable or unwilling to affiliate with trade-unions and to maintain such affiliation. With exceptions which have been noted in earlier chapters these are: factory workers, professional workers, clerical workers, workers engaged in trade, and domestic servants. If the foregoing analysis of forces supporting collective bargaining has been sound, it should be of some help in explaining the almost total absence of organization among these groups. Certain considerations suggest themselves as pertinent.

First of all, it should be noticed that these workers may belong to institutions called by different names which perform the same functions as trade-unions. The trade-union is presumably designed for the employer-employee relationship. It could hardly be expected to fit the case of professional workers. Professional associations, which are outside the scope of this study, by the adoption of common standards may get very much the same results as those obtained through trade-unionism.

In wholesale and retail trade, where there is limited and weak organization among the workers, it is worth noticing that employers are engaged in the sale of commodities and the cost of doing business is largely represented by the item of inventory.¹¹ The

¹¹The concept of the proportion of employers' total costs represented by the item of direct labor is consistently used throughout the present study, although the same type of data has not been available for all industrial groups to indicate the relative importance of the wage item. In some cases it has only been possible to state the percentage of the employer's total income which is absorbed by wages, while in other cases the proportion of the employer's total expenditure (note continued on next page)

trade agreement, therefore, cannot be utilized extensively for the stabilization of prices. Moreover, in wholesale trade, competition proceeds on the national market, and the ability of the trade to slip out from under any attempt at organization could certainly be demonstrated. In retail trade, some workers have been organized, but they are mainly at points where unionism makes possible a division of the field. The most successful exception is to be found in the retail butcher shops. Here the skilled nature of the salesmen's work and the possibility of loss to the employer through waste of goods constitute important bargaining factors. It is significant, however, that continuous relations between the Retail Meat Dealers' Association and the union were first established when the Dealers' Association desired political support on the Sunday-closing ordinance and assistance in the enforcement of an evening-closing rule.¹²

represented by wages has been available. Irrespective of the exact nature of the data used in the analysis of any particular industrial group, the question to which an answer is sought is, "To what extent would regulation of the wage rates of the industry tend to influence the prices charged by employers for the goods or services sold?"

The Chicago Association of Commerce reports that the item of wages and salaries in the trading establishments of Chicago represented the following percentages of sales in 1926:

Classification	Wholesale	Retail
Foods.....	4.2	14.1
Automotive Products.....	5.4	9.4
Hardware.....	7.8	10.0
Furniture.....	8.1	14.3
Jewelry.....	8.9	13.1
Sport goods.....	12.6	12.5
Fuels.....	4.9	11.8
Machinery.....	6.0	17.2
Paper.....	8.0	26.1
Drugs.....	6.0	14.9

It should be noted that the foregoing figures include remuneration for all types of employees, whether engaged in service, clerical, or sales work. While some special types of establishments within the foregoing classifications show higher percentages than those quoted, in none of the various branches of trade do wages form as high a proportion of employers' total expenditures as in many of the extensively unionized industries. See Analysis of Wholesale and Retail Trade in Chicago, Illinois. This pamphlet, issued by the Chicago Association of Commerce, is based on the experimental Census of Distribution of 1926.

¹²Interviews with both union and employer representatives.

This interpretation does not assume to be complete. On the side of the control over the working force, which is the usual method of accounting for the absence of collective bargaining in these groups, it is true that the ability to utilize labor of a relatively unskilled type and to draw upon women workers not permanently affiliated with the trade makes the problem of maintaining a continuous appeal to the employees exceedingly difficult. This feature of the position of the workers, particularly in retail trade and domestic service, must not be minimized.

It has been customary to attribute the absence of labor organization in the clerical occupations to the fact that the psychology of the clerical worker is strongly influenced by the hope of rising to an administrative position. The foregoing analysis, however, would suggest that other factors are of at least equal significance. Clerical workers are scattered throughout all industries, and the income they receive for their services forms but a relatively small part of the total costs of any single industry. The organization of such workers therefore could have little direct control over the employers' markets or the price policy of the industry. Hence one of the primary economic forces which has been found supporting collective action elsewhere is not available as an aid to group bargaining by these workers.

When one turns attention to the last of these great groups of the unorganized, the factory workers, it is to be noticed first that only in rare exceptions do they work for firms whose business is protected by restricted markets. Moreover, with the possible exception of the workers in the men's clothing industry, they are usually engaged in work where there is a rather definite advantage in large-scale operations. Whenever competition does exist, such unionism as obtains in Chicago could be of little influence in its regulation. In the industries operating on the factory system,

it is true that the problem of organization is frequently complicated by the difficulty of making an appeal to large masses of unskilled workers; but this difficulty might be overcome if unionism offered the possibility of control over employers' markets.

The economy of large-scale operations in the industries operating on the factory system means heavy fixed capital charges. In addition to the fact that such circumstances create conditions where collective bargaining can have little influence on prices, they also create a tendency toward positive resistance to unionism by employers. Where large amounts of technical equipment are utilized, employers find that freedom to regulate hours and arrange production schedules is at a premium. It is significant in this connection that the resistance to union control in the large job-printing and metal-products manufacturing establishments appears to have been due fully as much to objections to union rules as to union wage scales. It is not uncommon to find non-union employers in the machinery industry, for example, paying wage rates higher than the union scale where workers comparable with those employed in union shops are needed. Not only will such employers object to recognizing organizations of workers, but the desire to economize capital equipment may lead to the payment of high wage rates and so rob the union of much of its appeal to the workers.

In explaining the narrowly limited labor organization of factory workers, a fact closely related to the foregoing reasoning that is entitled to great weight is the determined resistance from prominent employing groups toward any efforts at organization of their employees. It is in this field that the most powerful, anti-union employers' associations have been active. In the manufacturing of metal products, both the National Metal Trades Association and the National Founders' Association have carried on vigorous

and effective work to prevent unionism from gaining a foothold or to weaken such footing as it may have gained in some sections of the industries. In the section of the printing industry which most nearly approaches factory conditions, the large book and job establishments, the employers have been united in their efforts to enfeeble the labor organizations. In candy manufacturing, and equally effectively in the large meat-packing establishments, refusal of the employers to recognize unions and constant vigilance to prevent their inception and growth have limited group representation of workers exclusively to such forms as have been worked out with the co-operation of employers and employees in individual establishments.

This study leaves unanswered many questions regarding the organizability of labor. Evidence has been presented, however, to reveal the location of unionism and some of the economic characteristics of the industries in which it exists. No claim is made to an answer to the question of the desirability of collective bargaining, but it may be that a revelation of the points at which unionism tends to persist will be of some assistance in determining the character of social policy.

APPENDIX I

IDENTIFICATION OF UNIONS INCLUDED IN THE OCCUPATIONAL GROUPS IN CHAPTER I

	Membership
Building construction; see chap. ii	
Building materials:	
Ornamental Plasterers, Local 301.....	186
United Brick and Clay Workers, Locals 1, 6, 49, 253, 378.....	752
Granite Cutters, Local 35.....	59
Upholsterers, Locals 9, 17, 18, 105, 112....	1,040
Millmen Carpenters, Locals 271, 341, 1367, 1693, 1784, 1922.....	3,549
Metal-products manufacturing; see chap. iv	
Printing; see chap. vii	
Wearing apparel; see chap. viii	
Bakery products:	
Bakery and Confectionery Workers, Locals 2, 13, 49, 62, 237.....	2,377
Cigar and tobacco factories:	
Cigar Makers Union, Local 14.....	696
Amalgamated Tobacco Workers Union, Local 38.	10
Beverage manufacturing:	
International Brewery Workers Union, Locals 18, 121, 248, 301, 342.....	450
Leather-goods manufacturing:	
Leather Workers Union, Locals 12, 17.....	185
Broom manufacturing:	
Broom and Whisk Makers, Local 29.....	125
All other mechanical occupations:	
Dairy Employees, I.E.T., Local 754.....	2,232
Gas Workers Union, Federal 18007.....	890
Flint Glass Workers Union, Locals 84, 93....	79
Glass Bottle Blowers, Local 31.....	12
Bill Posters and Billers (see <u>supra</u> , p.258).	480
Metal Engravers (see <u>supra</u> , p.258).....	80
Coopers International Union, Locals 1, 94...	32

Membership

Trade:

Drug Clerks, Retail Clerk International	
Protective Association, Local 180.....	2,400
Clothing Salesmen, R.C.I.P.A., Local 195....	850
Amalgamated Meat Cutters, Locals 87, 320, 450, 546, 571, 596, 598, 638.....	4,818
Gardners and Florists, Federal 10615.....	225
Oil Station Attendants, I.B.T., Local 705...	2,200
Coal Yard Hikers, C.T.U., Local 701.....	2,400

All other trading establishments:

Egg Inspectors, Federal 8705.....	300
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Domestic and personal service:

Hotel and Restaurant Employees International Alliance, Locals 25, 278, 444, 484, 865...	1,386
Building-service employees; see chap. iii	
Journeyman Barbers Union, Locals 548, 547...	4,039
Masseurs and Masseuses, Federal 17952.....	42

Transportation; see chap. v

Professional service:

Amusements; see chap. vi

Public service:

Building Service Employees, Locals 7,10,11, 19,30,36,39,41,46,49,57,60,67.....	3,346
Postal Clerks, Local 1	3,416
Street Sweepers, Hod Carriers, and Repairmen, Locals 361, 750	3,100
Operating Engineers, Locals 143, 556,556A, 143A, 845, 845A.....	927
Firemen and Oilers, Local 7.....	800
Fire Fighters Association, Local 2.....	500
Letter Carriers, Local 11.....	3,500

Teachers:

American Federation of Teachers, Locals 2, 3, 199, 209.....	616
Chicago Federation of Teachers.....	2,000

Federal unions of public servants:

Bus Attendants for Crippled Children, 17988	
Diagnosticians (City Hall Doctors)	
House of Correction Employees, 14, 171	
Field Assessors, 16, 432	
Health Officers, 17780	
House Drain Inspectors, 17728	
License Investigators, 17996	
Public Health Nurses, 16762	
Public Health Nurses, Tubercular, 17948	
Office Employees, 12755	
Rope Slicers and Repairmen, 16857	
Sewer Cleaning Foremen, 16, 394	
Public Utility Inspectors, 16024	
Recreational Supervisors, 17858	
Ward Superintendents, 16171	

All federal unions of public servants.....	2,341
National Federation of Federal Employees, Local 27.....	800
Amalgamated Meat Cutters, Inspectors, Local 450.....	78

APPENDIX II

CHICAGO UNIONS WHICH WERE REPORTED EXISTING IN 1929 FOR WHICH NO DATA HAVE BEEN AVAILABLE

Coopers, Local 181
Commercial Portrait Artists, Federal 14286
Lamp Shade Workers, Federal 18002
Photographers and Photo-Copy Employees, Federal 17880
Scientific Laboratory Workers, Federal 16986
Treasurers Association, Federal 17872
Laundry Workers Union, Local 68
 (Probably defunct, although listed in 1930 Directory)
Mine, Mill, and Smelter Workers
 Lead Burners, Local 35
 Coal and Coke Workers, Local 239
Piano, Organ, and Musical Workers
 Piano and Organ Workers, Local 1
 Organ Installers, Local 15
Asphalt Pavers Union, Local 25
Paving Cutters Union, Local 81
Technical Engineers, Architects, and Draftsmen, Local 14

All the foregoing organizations are small, and it is not likely that their combined membership in 1929 was as much as two thousand. Other small unions for which no official membership data have been available are noted in chapters ii-viii. Probably the largest of the unions listed above is the Technical Engineers, Local 14. It has been publicly reported as having one thousand members in 1929, but this is without doubt an exaggeration. Almost all the members of this union are employed by governmental bodies, chiefly the Board of Education, and the union thus might be classified properly as an organization of public servants.

In addition to the locals listed above, and the unions active in interstate transportation (railroad brotherhoods and shop workers, longshoremen, telegraphers, etc.), which are outside the scope of the present study, there are probably some small local unions not affiliated with the American Federation of Labor, or

with any national body, which have escaped attention. An example of this type of organization is the Cooks and Waiters Progressive Association, an association of negro hotel and restaurant workers, which functions primarily as an employment bureau rather than as a "bargaining agent." Organizations of this kind may perform a useful service, but gathering of detailed data with reference to them would not affect the conclusions here set forth.

